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# HISTORY

OF

# PRICES,

AND OF

## THE STATE OF THE CIRCULATION,

DURING THE NINE YEARS

1848—1856.

IN TWO VOLUMES;

FORMING THE FIFTH AND SIXTH VOLUMES OF THE HISTORY OF PRICES FROM 1792 TO THE PRESENT TIME.

BY

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AND

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WITH AN INDEX TO THE SIX VOLUMES.

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# PART VI.

ON THE POLICY PURSUED IN FRANCE SINCE 1848 BY THE REPUBLIC, THE PRESIDENCY, AND THE EMPIRE, WITH REFERENCE TO THE MANAGEMENT OF THE BANK OF FRANCE; AND THE FORMATION OF INSTITUTIONS OF CREDIT; — WITH AN OUTLINE OF THE GENERAL FINANCIAL MEASURES WHICH HAVE BEEN ADOPTED.

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## SECTION 1.

### *Introduction.*

DURING the Nine Years since 1847, a series of economical problems have been in course of solution in France.

The Provisional Government, carried into power by the Revolution of February, 1848, was compelled by the pressure of the public exigencies to suspend specie payments at the Bank of France, and to adopt vigorous measures for enlarging very considerably the functions and business of that establishment.

The same urgent necessities compelled, in the second place, the party in power to resort to new and special means for seeking, by appliances of Credit, to impart some degree of revival into the paralysed industry of the country.

During the years 1848, '49, and '50, there was presented in France the singular and suggestive spectacle of a central authority resting upon foun-

dations obviously insecure — administering a system of paper credit exposed to all the dangers of Incontrovertibility on the one hand; and on the other, to the large and hasty advances on inferior Securities through the medium of popular Discount Banks — and still not only escaping any serious damage, but scarcely encountering any serious peril. What was the train of causes which contributed, during those three years, so rapidly to strengthen the financial position of France, that in August, 1850, the Bank of France were in a manner compelled to resume cash payments, in order to arrest the inordinate accumulations of its treasure, can scarcely be an inquiry barren of interest or profit.

With the autocratic Presidency of 1852, there were inaugurated four lines of financial policy, dependent for their justification on new principles, and for their success on combinations of chance and adventure unknown in the ordinary pursuits of commerce.

It was decreed, in the first place, that by the contrivance of a reduction of the Five per Cent. Debt, and by the extension of the advances and discounts of the Bank of France into new channels, and at a rate of interest reduced to a point of which there was no example, — the command of money capital should seem to be placed permanently within the reach of a large and adventurous class of persons.

It was next decreed, that under the stimulus of concessions onerous to the State, but highly favourable to the grantees, the construction of Railways and other Public Works should be urged forward with a rapidity six or seven times as great as that which had been found possible in France prior to 1848.

In the third place, it was decreed, that as a means of fixing public attention upon joint-stock

enterprises, there should be created a new and gigantic Company, armed with vast powers, — employing Credit as its principal lever, — claiming to have discovered new financial secrets,—addressing itself to undertakings the most gigantic and onerous, — and attracting a wide support by the lavish nature of the benefits it had to bestow.

And lastly, it was decreed that the cost entailed by calamities of War and Scarcity should not be provided by any imposition of greater burdens on the present, but should be met by large additions to the public debt.

During five years this new policy has been pursued. It has been scarcely interrupted by the War which occupied 1854 and '55; nor by the Failure in France of the Harvests of 1853 and '54. It is still pursued during the present year 1856, but not unaccompanied by symptoms of difficulty.

In addition to these concerted objects of policy there has been in progress since 1850 a rapid change in the character of the Metallic Circulation of France; and we have seen monthly convoys of Silver drawn from that country for exportation to the East, and the French Mint overwhelmed with applications for the coinage of Gold Bullion.

In the sections which constitute the present Division, I have sought to afford some means of arriving at a distinct and dispassionate judgment on the train of questions now indicated. I am persuaded that, among the extraordinary economical changes of the last Nine Years, there have been few of greater moment, or deeper interest, than the financial experiments of which France has been the theatre. I am persuaded, also, that it has been principally by the influx of the New Gold that the bold resort to these experiments has escaped being attended by violent and disastrous consequences. I have endeavoured, therefore, so to arrange the order of the narrative, and

so to fortify the inferences by facts, that the means of forming an independent judgment may be as open to others as to myself. . . .

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## SECTION 2.

### *Condition of the Finances of France at the close of* 1847.

When the Revolution of the 24th February, 1848, occurred, France was already suffering from financial embarrassment.

The failure of the Harvest of 1846 had been felt severely throughout the whole of 1847.

In the early part of the year (14th January '47) the Bank of France had found itself compelled, for the first time since February, 1820, to alter its rate of discount, and to raise the rate from 4 to 5 per cent. per ann. The Municipality of Paris had contracted a debt of a Million Sterling for the purpose of administering relief to the more indigent classes; and to provide the interest on this debt, the Octroi Duties had been increased. A considerable debt had been incurred at Rouen for the same objects, and had been provided for by similar imposts. A Third of a Million Sterling had been voted to repair the devastation in the region of the Loire committed by the Inundations of 1846; and it had been necessary to grant a large extra contribution to the Hospitals and Houses of Charity.

At the close of 1847 the general position of the finances compelled the Government to negotiate, on the 10th November (1847), a Loan for Ten Millions Sterling. The Contract was taken by M. Rothschild in 3 per cent. Rentes at the price of 75·25.

The proceedings of the French Legislature rela-

tive to the Construction of Railways, had been a fertile source of difficulty to the Treasury for several years prior to 1847.

The first Railway in France was the short line from Paris to St. Germain, commenced in 1835, and opened in 1837. Years were then consumed in discussions and party intrigues; and it was not until 1841 and '42 that, under the pressure of an alarm lest France should be the last country in Europe without railways, comprehensive laws were adopted defining the extent to which the State would supersede or assist private enterprise in the construction of a series of Main Lines. The first Law was that of the 25th June, 1841; the second, and more important, was the project introduced by M. Teste, as Minister of Public Works, and known as the Law of 11th June, 1842.

These schemes of Railway Legislation involved two principles; namely: (1.) that the Government should provide the Land and Buildings; and (2.) that individual Companies should provide the Way, Works, Rolling Stock, and Engines necessary to bring the Line into operation.

In providing the Land and Buildings, the cost was to be divided, between the Treasury and the Provinces, in the proportion of one third to the State, and two thirds to the Departments and Communes. The Companies were to be induced to undertake the works by concessions or leases of the whole undertaking for a period of years; but with very elaborate reservations, retaining to the State the right of purchasing the Line at the end of the lease, and of constantly interfering, by agents, in the meantime, in the settlement of the rates of toll, in the police of the Line, and in the general administration of the Company holding the Concession.

But this System had not been long in force when it became surrounded with difficulties.

In the first place, the Departments and Communes, already burdened with taxes, were found both unable and unwilling to make any further effort for the construction of Railways; and in the next place, private capitalists were not found to be very desirous of embarking in enterprises where so little was to be left to their own judgment, and where so much was reserved for the State at the end of a comparatively short concession. The result was that the Schemes of 1841 and '42 were found to be impracticable in their entirety; and the Government was reduced to the necessity of making the best arrangements it could with private companies. In some cases, the entire construction and completion of Lines were forced upon the Government; in others, it was able to carry out, at least to some extent, the original idea of limited concession.

At the close of 1847 the position of the French Government with regard to Railways was as follows: —

During the five years subsequent to 1842, the total amount of expenditure authorised by the State to be contributed by the State and by Private Companies in various proportions, was 64 Millions sterling. Out of this amount, 33 Millions had been actually raised and expended during the five years in the construction of about 1200 miles of Railway at an average cast of 27,000*l.* per mile,— a cost very closely approaching that of the English Lines. The average annual expenditure, therefore, of the five years, 1843–47, had been nearly 7 Millions sterling.

The outstanding Railway engagements, on 31st December, 1847, were about 31 Millions sterling; and of that sum 10 Millions had to be contributed by the shares and bonds of Private Companies, and 21 Millions had to be provided by the State—of course during a comparatively short period of time.

During the eighteen years, from 1830 to 1847,

only six had been closed with a surplus of Total Government Income over Total Government Expenditure; and those six years all occurred prior to 1837.

At the close of 1847 it is tolerably clear that the Floating Debt of France was nearly, if not quite, equal to 40 Millions sterling — that is to say, more than twice the magnitude of the ordinary Unfunded Debt of the United Kingdom. And this deficit of 40 Millions existed notwithstanding the Loans of 6½ Millions sterling in 1831; of 6 Millions in 1832; of 7½ Millions in 1841; and of 13 Millions in 1844. It was with the view of reducing so large and dangerous a mass of current obligations, that the Loan of 10 Millions sterling, of November, 1847, was negotiated. At the date of the Revolution, 3⅓ Millions of that Loan had been actually received by the Treasury; but the distrust and the depreciation of property then became so extreme as to render it more advantageous to the contributors to forfeit their deposits than to continue their instalments.

When all false and superfluous phraseology is swept away, there is no difficulty in perceiving that the enormous additions made to the French Debt between 1830 and 1847, and the excess of Floating Obligations which, at the close of 1847, pressed upon the French Government, arose from three principal causes; namely, first, the large and incessant expenditure in Algeria; second, the burdens assumed by the State in the construction of Railways and other Public Works*; and, lastly, the excessive amount of the outlay, from year to year, on the Army and Marine.

* Between 1830 and 1847, it appears certain that the French Government did actually expend not less than 30 Millions sterling on Public Works connected with Roads and Bridges, Canals and Rivers, Ports, and Monuments and Public Buildings. In general terms, the expenditure on these objects from 1830

## SECTION 3.

### *Financial Measures of the Provisional Government during* 1848.

After the events of the 24th February, 1848, there was a rapid succession of occupants of the Ministry of Finance; and a succession still more rapid in the measures and projects which were promulgated for the purpose of mitigating or overcoming the financial embarrassments of the New Government.

M. Goudchaux was the first Finance Minister of the Republic; but the portfolio delivered to him at the Hôtel de Ville on the 24th February, was held by him only until the 5th March. His most important public act was to decree the payment at once of the public dividends, which in ordinary course would not become due till the 22nd March.

M. Garnier-Pagès, the next in succession, remained in office till the 11th May,—that is, until after the opening of the National Assembly, on the 4th of that month.

Decrees of the 15th and 25th March suspended Cash Payments in Paris and the Provinces. Decrees of the 7th and 8th March established Discount Banks, under the title of *Comptoirs Nationaux*, in Paris and several of the large towns,—the capital of the Banks being supplied in thirds by the State, the Municipality, and the Public. A Decree of the 21st March established, under the name of *Magazins Généraux*, in Paris and certain central towns, places of deposit for the reception of goods and merchandise; and ordained

to 1847 may be taken as 2 Millions sterling a year; and it may be assumed that by far the largest part of the outlay was entirely unproductive.

that the receipts and vouchers issued to the depositors should pass into circulation by indorsement. After considerable demur the Bank of France was induced to set aside nearly 2½ millions sterling for the purpose of making advances on these documents, or Récépissés.

So early as the 9th March the Provisional Government, acting on a report by M. Garnier-Pagès, decreed the adoption of five financial measures, rendered necessary by the public exigencies;—namely, first, the sale of the Diamonds of the Crown; second, the alienation of the domains of the Civil List; third, the alienation of the Forests of the State; fourth, the negotiation of a Loan; and lastly, the adoption of a plan for reimbursing, in Rentes, the crowd of depositors in the Savings Banks, who were pressing on all hands for the return, in specie, of the sums at their credit—a demand which there existed no means of satisfying.

The three decrees relating to the sale of Public Property were found to be impracticable. A Loan could not be negotiated at less than 7 or 8 per cent., and, in point of fact, not more than 1½ millions sterling was nominally obtained at 5 per cent., by the cancelment of certain classes of Treasury Bonds. A compromise was made with the Savings Banks' Depositors by issuing to them a small per centage of coin; and, as concerned the balance of their claims, a moiety in Treasury Bills, at four and six months, and a moiety in 5 per cent. Rentes *at par*—the market price of the five per Cents. being no more than about 70.

The difficulties of the Government remained essentially unrelieved; and on the 16th March they had the courage to issue a decree ordaining an extra impost, for the year 1848, of 45 Centimes per franc in the assessment of the Direct Taxes. For the adoption of so bold a measure, within three weeks after the occurrence of the Revolution, the

Ministers of the Republic are entitled to far more commendation than they have hitherto received.

As an immediate resource the Bank of France was required to advance, before the end of March, 3¼ millions sterling for the use of the Government.

M. Duclerc succeeded M. Garnier-Pagès, and retained the Financial Portfolio till the 28th June. His administration was marked by the introduction and failure of two projects for a repurchase, by the State, of all the Railways; and for the monopoly, by the State, of the business of Fire Insurance.

M. Goudchaux again assumed office on the resignation of M. Duclerc at the end of June. His first measure was to rectify the injustice committed in March, by compelling the Savings Banks' Depositors to accept *at par* 5 per cent. Rentes, saleable only at a very considerable discount. The project of law of the 3rd July, substituted a modified *market* price for the par value. But the question was not finally settled till the 21st November, 1848, when the *real* market rates of 46·40 for 3 per cent. Rentes, and 71·60 for 5 per cent. Rentes, were substituted for the *par* rates compulsorily forced upon the Depositors in March.

The Bank of France was again called upon for a considerable advance. A law of the 5th July prescribed the terms of a further loan to the State of 6 Millions Sterling, at 4 per cent. per annum,—half the amount to be available in 1848, aud half in 1849; the security taken by the Bank to be the Rentes of the Sinking Fund, and certain Forests of the State.

Towards the end of July (the 24th) the Assembly confirmed a Ministerial proposal for raising 8 Millions sterling, by a Public Loan in 5 per cent. Rentes, at the rate of 75·25; but in order to accomplish this end the forfeited deposits, amounting to 3½ millions of the Loan, in 3 per cent. Rentes, of 10th November, 1847, had to be admitted at

the published rate of 75·25. The actual amount of money, therefore, really obtained by the Treasury was little more than 4 Millions sterling.

M. Goudchaux was fertile in plans of finance, marked by very extreme doctrines. His plan for taxing Hypothecated Credits (*les créances hypothécaires*) did not survive a first reading;—a Committee of the Assembly rapidly expunged the scheme of *progressive* rates per cent. from the proposal to tax Successions and Donations; and the same principle was rejected, by similar means, from the scheme of an Income Tax on the revenue from personal property (*impôt sur le revenu mobilier*).

One of the acts of the Provisional Government had been to abolish (15th April, 1848,) totally, the Excise and Import Duties on Salt, yielding a revenue of considerably more than 2 Millions per annum. At the close of August (28th August) the Assembly had the courage and honesty to reimpose new duties, equal to more than half the former assessments.

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## SECTION 4.

### *Measures and Reforms proposed by M. Passy in* 1849.

M. Trouvé-Chauvel succeeded M. Goudchaux on the 23rd October (1848); and M. Trouvé-Chauvel was succeeded, early in 1849, by M. Hippolyte Passy. Louis Napoleon had then become President.

M. Passy's administration was distinguished by his adoption of a course of procedure very unusual in the recent history of French finance.

We have already seen that a considerable portion of the 2 millions of revenue from Salt was relinquished in 1848. Early in 1849 the Assem-

bly decreed, that from the 1st January, 1850, the 4 Millions sterling of annual revenue arising from the Excise on Liquors (*Boissons*) should be also relinquished. Adding to these remissions of taxes the loss to the Revenue from reductions in the rates of Postage, and under various minor heads, M. Passy entered upon his duties with Ways and Means diminished by about 6 Millions sterling per annum; and with Expenditure proceeding on all hands with the recklessness derived from a recent revolutionary impulse.

The Legislative Assembly, elected under the Constitution settled by the National Assembly, commenced its first session on the 27th May, 1849.

The speech delivered by M. Passy on the 3rd August, 1849, in stating his financial scheme for 1850, is probably the most lucid, as well as the most honest, exposition of the financial condition of France, which has been publicly addressed to an audience of Frenchmen during the last twenty years.

The speaker prescribed to himself five principal objects, namely, to inform the Assembly, in the fewest words, of the real condition of the Finances at the end of 1847 and the end of 1849; —to state, with equal explicitness, the predominating causes of the huge Deficit;—to affirm the limit beyond which, according to all experience, a Floating debt could not with safety be allowed to pass in France;—to suggest the correction of numerous inveterate sources of confusion in the practical management of the finances;—and lastly, to propose boldly such measures as were necessary at that time to restore effectually the credit and resources of the Treasury.

M. Passy stated that, at the close of 1847, the Deficit arising from the excesses of expenditure over income of the eight years 1840–47 was not less than 36 Millions sterling:—notwithstanding

22 Millions sterling of Funded Debt contracted under the law of 25th June, 1841:—That during the two years 1848 and 1849 the annual interest of the Funded Debt had been, and would be, increased to the extent of more than 3 Millions sterling for loans contracted in various forms:— that the close of 1849 would still leave the Treasury burdened with 22 Millions of Floating Debt:— that, according to all sound deductions from experience, no French Government could with safety permit a larger amount of Floating Debt than 14 Millions:— and hence that the first and clearest necessity of the crisis was to raise at once a Loan of 8 Millions sterling for the purpose of reducing the current obligations within a prudent limit.

To the prodigality of the expenditure in Algeria — to the enormous cost year by year of a large Army and Marine — to the outlay of immense sums on Public Works, very rarely of a productive nature — and, latterly, to the consequences of revolutionary discredit — M. Passy ascribed in clear and earnest language the embarrassments of the French Government.

He stated that the Deficit for the year 1850 would exceed 13 Millions sterling; and his proposals for effectually meeting that contingency consisted of three parts; namely,—first, the imposition of five new or additional Taxes, the produce of which would be $3\frac{1}{4}$ Millions; second, the abolition of the whole machinery of the Sinking Fund (*Caisse d'Amortissement*), the effect of which would be to yield a technical resource of more than $5\frac{3}{4}$ Millions; and lastly, the issue of Treasury Obligations for 4 Millions sterling.

The Additional taxes were,— (1.) certain extra imposts connected with the Stamp Duties, calculated to yield more than half a million:— and (2.) new duties of Registration and Patents, calculated to yield a third of a million sterling.

The New tax was the courageous proposal of a Tax of 3 per cent. on Incomes derived from moveable property (*revenus mobiliers*) ; — exempting small incomes derived from capital engaged in agricultural operations ; and imposing a lower rate of 1 per cent. on certain classes of persons whose position was already ascertained by their inclusion within prescribed roles of the Contribution Foncier. From an Income Tax thus adjusted it was expected that 2½ Millions sterling would be obtained.

The proposal to abolish the Sinking Fund was in the highest degreee meritorious.

This department of the Ministry of Finance was organised with great form in 1816 and 1817, re-organised in 1825, and again so recently as 1835. It was provided, year by year, with a *dotation* from the taxes; and that *dotation*, and the other parts of its income, was employed in buying Rentes in the market, or more constantly in advances to the Treasury. The Rentes so obtained were not cancelled, but stood in the Grand Livre of the Debt, as the property of the Sinking Fund; and the dividends were as punctually paid to the Sinking Fund as if it had been a real, instead of a purely fictitious creditor of the State. In process of time the Reserves of the Sinking Fund became so large that they could only be expressed in hundreds of millions of the capital of the French Debt; and it would not be difficult to advance several strong reasons for believing that, practically, the effect of these imaginary accumulations was more pernicious than the actual debts they were designed to repay. The machinery of the Amortissement—its reserves, its income, its dotation, and its capacity of accumulation, had been for a long period a source of confusion and mischief among French financiers, more prolific than can be easily conceived by those who have not had occasion closely to observe the facts.

At the date of M. Passy's exposition, the Annual Dividends due to the Sinking Fund were $3\frac{1}{4}$ Millions sterling, and the Annual Dotation $2\frac{1}{2}$ Millions. In other words, the Sinking Fund received $5\frac{3}{4}$ Millions from the Treasury with one hand, and advanced $5\frac{3}{4}$ Millions to the Treasury with the other. The whole process was, in reality, one of transfer. The interest of the Debt was made to appear larger than it really was, by the amount of the Dividends considered as due to the Sinking Fund — and the Obligations of the Treasury were made to appear larger than they really were, by the amounts taken over from the Sinking Fund. The $5\frac{3}{4}$ Millions, therefore, was an item on both sides of the account, not merely destitute of all use and meaning, but the fruitful origin of misapprehensions the most absurd and mischievous.

The Assembly received M. Passy's proposals with some favour.

But they met with but small sympathy from the President of the Republic; and in October (1849) the portfolio of Finance was given to M. Achille Fould, who on the 4th November presented a financial scheme for the year 1850, carefully divested of all those features which had rendered the statement of M. Passy so remarkable.

M. Fould expressed himself willing to adopt, in a modified form, the proposal for abolishing the Sinking Fund. But the measure was too advanced for the Assembly, who rejected the scheme, and re-instated, in their ancient integrity, the involved formulas of transfers and cancelments.

The Budgets of 1850 and 1851 both entailed considerable deficits.

It was the policy of the President's Government to obtain the amount of the outlay on Public Works (including Railways), not by votes out of Income, but by contracting obligations, and adding them to the Floating Debt. In 1851, a sum of 3 Millions sterling

was added to the Floating Debt * on this account; and at the close of the year (1851) it seems to be ascertained that the unfunded obligations of the Government had risen to quite 28 Millions sterling, —or double the amount which it had been the habit to consider the extreme limit of this class of liabilities.

The Budget of 1852 was under the consideration of the Assembly when the assumption of dictatorial power by the President, on the 2nd December, 1851, reduced the department of finance to the position of a mere office of registry for the decrees of the Executive.

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## SECTION 5.

### *Outline of the New Financial Policy adopted under the Autocratic Constitution of December*, 1851.

The first four months of the Autocratic Constitution of December, 1851, were assiduously employed in reducing into practice, as rapidly almost as Decrees could be framed, a New Financial Policy, which claimed to have the merit of so stimulating and applying the resources of Credit, that the immense capabilities of France should no longer remain doubtful or undeveloped.

Addressing itself to an immense mass of details,

* The Floating Debt in France may be said to consist of six principal parts. At the end of 1850, the total of the Floating Debt was stated, in one of the reports, to be 23·12 Millions sterling, composed as follows: (1.) Funds held on account of Savings' Banks, 5·36 Millions sterling; (2.) Funds held on account of Communes, 5·20 Millions; (3.) Bons du Trésor, 4·52 Millions; (4.) Advances by Receiver General, 2·84 Millions; (5.) Funds held on account of the Deposit Bank (Caisse des Depôts), 1·20 Millions; and (6.) Loan by the Bank of France, 4 Millions.

and producing, day by day, volleys of Decrees dealing with almost every conceivable subject, the financial policy of the Government was still directed to the immediate accomplishment of Six specific objects as essential to success.

In the first place, it was sought to stimulate and extend the construction of New Railways, and the completion of old Lines which had long lain as heavy burdens on the resources of the Budget of Public Works, by granting a multitude of concessions to new or old bodies of shareholders, on terms far more liberal to the subscribers than had been previously conceded in France.

In the second place, Decrees were promulgated for immense Public Works in Paris, with a view, not only of embellishing the Capital, and placing it more completely under the military command of the authorities, but also as the most direct means of affording employment to the metropolitan population; and the same plan of expenditure was gradually extended to most of the large Towns.

Thirdly, measures were adopted for the formation of Companies destined (according to the official phraseology) to bring the resources of Credit to the advancement of Industry. The earliest of these Companies was the Société de Credit Foncier, founded on the 28th February, 1852; and parts of the same system were the Decrees of the 3rd and 28th March ('52), which directed the Bank of France, for the first time in its history, to make advances on the security of Railway Shares and Obligations, and also on obligations of the Municipality of Paris.

The fourth object was to obtain from the Bank of France a resolution reducing its Rate of Discount from Five to Three Per Cent. Per Annum; and this was accomplished on the 5th March ('52).

The fifth object was to remodel extensively the

constitution of the Bank of France; to prolong its exclusive privileges to the 31st Dec. 1867; and to spread over a period of fifteen years the repayment, by the State, of the loan of 3 Millions sterling, due to the Bank under the original agreement in the course of 1852. These measures were formally announced on the 3rd March, '52. And, lastly, it was a principal object of the New Policy to accomplish the reduction of the 5 per cent. Rentes into 4½ per Cents.; not only for the purpose of reducing the amount of dividend, but also as a powerful means of convincing the public that the Rate of Interest in France was effectually reduced; and that a scheme of reduction which had baffled the Monarchy and the Republic, was of easy accomplishment under a supreme President.

Before the end of March, 1852, the New Government had granted concessions for Railways involving an expenditure of more than 20 Millions sterling.

At the close of 1851 the French Executive had been for some time seriously embarrassed by its railway engagements. It had in its own hands the great trunk Line from Paris to Lyons, and the works were prosecuted from time to time, as the Treasury could provide a larger or smaller credit. The Line from Lyons to Valence was in the same position. On the Line from Valence to Avignon, the works were wholly stopped. The great Line of the Centre of France was also in the hands of the State, and the works were nearly at a stand-still. The Lines leading to the frontiers of the North, and of Strasburg, were in the hands of Companies; but of Companies which found themselves unable to undertake any expenditure for extensions. The earliest concessions of the New Government were for the speedy resumption and completion of these great works; and then came

further concessions for a large Railway expenditure in other parts of France.

Supposing that the Floating Capital of France was adequate to these engagements, there can scarcely be any question of the wisdom of measures directed to the construction of Railways. But we have before us the strong facts that down to the close of 1851 neither the direct intervention of the State, nor the efforts of private Companies, had been able to accomplish more within each year than a very limited outlay on Railway Works. Nothing had occurred in December, 1851, to increase the ability of France to sustain new and heavy drafts on its floating Capital, — and it seems to be a reasonable inference, that the Projects involving an expenditure of 20 Millions Sterling were premature and improvident.

The principles adopted in those concessions were also remarkable. In the first place, the State generally guaranteed a particular rate of dividend on the capital to be expended on the Line. In the second, large Companies were enabled and encouraged to grant subventions or contributions to small ones. By these means, the old Companies were able to issue attractive new shares, and the new Companies were able, by means of the guaranteed dividend, to bring out their schemes at a premium. In both ways, the new principle of seeking large powers by the application of Credit, obtained at least an immediate triumph.

The extensive Public Works in Paris were partly at the direct expense of the State, and partly at the charge of the Municipality — the City authorities being armed with ample powers to raise loans on the security of the Municipal Taxes and the Octroi.

To the measures directed to the formation of purely Credit Companies; to the reduction of the Rate of Discount to 3 per Cent.; and to the altera-

tions of the constitution of the Bank of France, I shall recur in a future section.

The Decree of the 14th March, 1852, ordaining the Conversion of the 5 per Cent. Rente into 4½ per Cents. must be considered here.

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## SECTION 6.

### *The Reduction of the French Five Per Cent. Rentes in* 1852.

At the date of this Decree, the amount of Capital represented by the French 5 per Cents. was about 145 Millions sterling; and the amount of Annual Dividends (at 5 per cent.), 7¼ Millions sterling. The amount of benefit to the Treasury expected from the conversion was a yearly economy of interest of about 720,000*l.*

Early in 1847, the number of holders of 5 per Cent. Rentes was about 230,000 persons, and their average annual dividend was, say, 25*l.* But after the Revolution of 1848, a considerable part of the depositors in Savings' Banks were compelled, as we have seen (page 9., *antè*), to accept 5 per Cents. in reimbursement of their claims; and hence in March, 1852, the number of 5 per Cent. Rentiers had risen to nearly 750,000 persons, and the average annual dividend of each holder had fallen to less than 10*l.*

At the date of the Decree the price of the 5 per Cents. was 103; and the terms offered were repayment; or conversion into 4½ per Cents. at par. Making proper allowance, however, for the investments in 5 per Cents. of a large class of public institutions of the nature of hospitals, colleges, and municipalities, the revenue of which, if not derived in the form of dividends on Public Stocks, must be

supplied to them by payments from the taxes in some other form, it is certain that the real saving to the Treasury by the conversion would be not more than about 450,000*l.*,—assuming the original scheme of the Decree to be carried fully into effect.

The project of reducing the interest of the Five per Cents. was not new in France. It had been agitated and discussed on several occasions under the Monarchy; and at periods when the maintainance for a considerable time of the price of the Five per Cents. very materially above par, had rendered the success of any reasonable plan of conversion absolutely certain.

But it was not forgotten on the occurrence of those conjunctures, and it was an argument put forward by a sagacious and eloquent party in France, that, besides mere financial considerations, there were moral and political considerations to be regarded as fundamental parts of the position of the Five per Cent. Debt.

It was urged that the Five per Cents. were the only remnant and legacy of the public obligations due by the State to its Creditors which had survived the First Revolution. Two-thirds of the public burdens of France were confiscated or extinguished between 1789 and 1798, and the Five per Cents. represented that *Tiers Consolidé* which alone survived the decree of the Directory, in pursuance of which all the obligations of France in 1798 were discharged — two-thirds by Bonds in their nature and issue Assignats — and one-third by inscriptions in the Grand Livre;—a financial confiscation which, on the most moderate computation, reduced to ruin a hundred thousand families, leaving to the crowds of Rentiers of that time, in the words of Cretet, — "a la plupart d'entre eux trop pour mourir, et trop "peu pour vivre." It was pointed out with earnestness that a Debt so inherited by the State, — the result of a violent operation by which the

rights of the creditor had been in a great measure taken away,—stood in a position very different from that of obligations contracted between borrower and lender on perfectly equal terms, and with perfect liberty on the part of both to consider and provide for the contingencies of the future.

These arguments had always prevailed, and it had passed almost into a financial maxim in France, that not merely the faith and honour of the State were pledged to the defence of the Five per Cents. against any scheme of interference, except under the pressure of some overwhelming danger; but also, that it nearly concerned the progress and prosperity of the State to foster among the French people habits and sentiments founded upon a strong belief in the eminent eligibility of the Public Debt as a mode of investment for savings,—and eminently eligible, because in no danger of sudden measures of modification.

It is probable that even Louis Napoleon was not insensible to the practical force of the views now stated; for in the early days of the Coup d'Etat (28th December, 1851), he considered it prudent to quiet alarms, which were then expressed, by formally announcing that no plan for reducing the Five per Cents. was in contemplation — adding, however, that no scheme of such a nature would be adopted without due previous warning.

The immediate effects of the Decree of Conversion of the 14th March, 1852, however much they might surprise and embarrass the authors of the measure, were precisely those which prudent observers had always foreseen to be the necessary consequences of any scheme so sweeping and sudden.

There was an instant and violent panic among the crowd of small holders, and for several days the Stock-brokers of Paris were overwhelmed with orders from the provinces to sell Five per Cents. The small premium of three per cent. rapidly dis-

appeared; the Stock fell to a discount, and the whole scheme of conversion was on the point of complete failure.

The course pursued by the Treasury was characteristic. M. Bineau, the Minister of Finance, summoned to his Hotel the Bankers and Money dealers of Paris, and intimated to them that the Government were resolved to carry through the conversion; and would reimburse to them whatever sums they might ultimately lose, provided they would enter into such arrangements as would render it certain that the quantity of Five per Cents. poured into the market by the public should be absorbed with sufficient rapidity to keep the price above par. This course was pursued, and technically the Conversion was accomplished, — but at a cost so large, that we are justified in believing that for some years the nominal reduction of interest can afford no *bonâ fide* relief to the Treasury. A simple Decree of the President, of the 28th April ('52), created as much Three per Cent. Stock as was required to reimburse the Bankers for the whole of the losses sustained by them in obeying the orders of M. Bineau; and in spite of considerable animadversion on the extraordinary nature of such a mode of increasing the public debt, no explanation whatever was afforded.

Such was the process, and such the results, of the measure of March, 1852 — a measure in official phraseology always described as the Great Conversion happily achieved by the Presidency of December.

## SECTION 7.

### *The Financial Condition of France at the Commencement of the Russian War in* 1854.

The Société Générale du Credit Mobilier was set up by a Decree of the 18th Nov. 1852; and the early part of 1853 was occupied by the schemes and the activity of projectors, often when there gathered daily a larger and a denser crowd of dupes and disciples.

In 1854 came the War; and its first financial consequence in France was a determination to provide the whole of the cost by Loans, to be raised, not by contract, but through the instrumentality of a proclamation by the Government, of such terms as would ensure from the general public a full subscription;—that is to say, the terms offered by the State should be so liberal to the lender as to enable him to sell his allotment at once for a substantial premium.*

In pursuance of this policy no less than 60 Millions sterling of Debt were contracted by the three Loans of March, 1854, (10 Millions); December, 1854, (20 Millions); and July, 1855, (30 Millions).

In the meantime there was no pause in the prosecution of the infinite variety of schemes brought forward under the plea of developing the resources of France.

In the early part of 1854, M. Leon Faucher—no longer willing to serve the State, because he could no longer serve under that Parliamentary control for the solid establishment of which he had made so many sacrifices — published, under the high authority of his signature, a review of the Financial Condition of France on its entrance into the War; and we may learn much even from the rapid summary to which he was constrained to con-

* In App. XIX. I have given the details of the three Loans of 1854–5.

fine the expression of the apprehensions excited by his close observation and profound knowledge of the material resources of his country.

He first refers to the very large amount of capital required to complete the Lines of Railway conceded even during the two years 1852 and 1853. He says:—

"Industry too much encouraged has spread out all its sails. Not to speak of undertakings and manufactures which do not require the authorisation of the Public Power, still since the 31st December, 1851, in two years, the extent of the Railways conceded has exceeded 2500 English miles — and these 2500 miles represent, to say nothing of the subventions of the State, an expenditure of 40 Millions sterling on the part of the Companies. If we suppose that only a moiety of this capital has already been provided by shares and subscriptions—still 20 Millions sterling to be raised from the public in one or two years is an excessive expenditure. But the difficulty will be immensely increased, if the Government, disregarding the warning of circumstances, continue to make new concessions, and to extend still further the expenditure on concessions already granted. We shall with difficulty continue during the War the works commenced during Peace; and this is not a moment for the formation of vast projects; for speculations, and enterprises."

He then refers to the large and increasing expenditure for Public Works, Monumental Buildings, and other similar purposes, as well in the Provinces as in Paris.

"The expenses of the Departments and Villes are, as regards the finances, another charge which it has become urgent to restrain within reasonable limits. The Centimes Departmentaux et Communaux amounted in 1830 to 2½ millions sterling: in 1846 to 4½ millions; in 1851 to 5¼ millions—but they appear in the Budget for this year (1854) as considerably more than 5½ millions sterling. These expenses, which increase even faster than those of the State itself, already absorb a third of the produce of the Direct Contributions; that is to say, a sum nearly equal to the Contribution Foncière. To this expenditure of 5½ millions it is necessary to add, in order to arrive at a correct view of the local expenditure, the 3¼ millions which the Villes obtain from the Octrois; and further, the produce of the Loans contracted by the Departments and the Municipal Ad-

ministrations. The total of all these items is not less than 11 or 12 millions sterling.

"Among the Cities which have undertaken great works and committed themselves to vast operations of credit, Paris occupies the first place:—The Municipal Revenue of Paris, it is true, exhibits progress. In 1853, it was nearly 2¼ millions sterling: but in that year there was a Loan raised of 2 millions sterling. In 1854 the expenditure of the Prefect of the Seine has risen to more than 3½ millions; and there must be another Loan of 2 millions. Nor must we forget that the credit of the City of Paris is now (1854) charged with nearly a million sterling, raised by means of the Bonds of the Bakers' Bank, and which constitutes a floating debt." *

In the next passage Leon Faucher refers to political considerations, connected with the dangers arising out of large displacements of labour in France—considerations to which his experience as Minister of the Interior had led him to attach no secondary importance. He says:—

"If we contemplate from a political point of view this agglomeration of enterprises, it is impossible to avoid apprehension. A first result—and not the least grave in my eyes—will be the disturbance of private fortunes. In order to demolish at once more than two thousand houses, effects have been produced

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* These apprehensions expressed by M. Leon Faucher early in 1852 have been amply confirmed by the experience of 1856. The wholesale destruction of the cheap Quarters of the City, inhabited by the artisans, has inflicted severe privations and inconvenience on the poorer classes; and has excited deep discontent. The finances of the Municipality also have become seriously embarrassed. In 1852 the ordinary expenditure of the Hôtel de Ville was about 1¼ millions sterling; and the interest of the Municipal Debt amounted to a further sum of 300,000*l.* In 1856 the ordinary expenditure had risen to 1,640,000*l.*, and the interest of the Debt to 560,000*l.* Additional Municipal taxes had been imposed, amounting to 300,000*l.* per annum; and the produce of the former taxes had improved to the extent of 130,000*l.* Still the deficit for 1856 was estimated at nearly 100,000*l.* To meet this deficit, at least in part, two new taxes were proposed, namely, (1) a Tax on Carriages, assessed upon a sliding scale, intended to tax heavily the vehicles of the rich, and lightly the vehicles of the poor; and (2) a Capitation Tax on persons entering the Bourse. But both proposals were extremely disliked.

which lead to a serious rise of rents elsewhere—temporary perhaps, but which nevertheless breaks in upon the habits and calculations of the middle classes of society. By and by, when the new structures have been raised, houses will multiply more rapidly than tenants, and the rents of the new mansions will so far fail to realise the expectations of the proprietors and speculators who have constructed them at great cost, that ruin will ensue, and the enormous capital which represents houses and premises in Paris will be shaken by an inevitable depreciation.

"*But I confess I most fear the excessive crowds of Workmen which will be drawn together by these great Works, undertaken on so large a scale, and extending over some years.* Men drawn from the Departments by the attraction of high wages, after having tasted during a few years the pleasures of Parisian life, will not return to their original homes; but when the Metropolitan Works are finished, will form additions to the population of the Faubourgs. Their manners will be corrupted in the cabarets, and their opinions in the secret societies. They will enter into political agitation, and they will become the militia of Revolution.

"The army of Workmen who were engaged on the Fortifications of Paris, brought to the population of the capital recruits who contributed, with no small zeal, to the Revolution of 1848. It is not wise then, it is not safe, to accumulate, at a single point in the country, masses of men, who, after having supplied the means of executing great works, supply, with the same facility, the elements of disorder."

And in the following passage, the last I shall quote, M. Leon Faucher describes, in a few words, the real danger of France; namely, a restless and imprudent effort to anticipate and mortgage all its accumulations of capital.

"The truth is, that the situation of the *Villes* and the Industrial Companies of France is the same as that of the State; namely, finances which present great resources, but which are deeply burdened and engaged. *No time is given to the savings of the nation to accumulate: everything is discounted.* These savings of hard work, this treasure composed of small sums, shines with a splendour which attracts the covetous. *Tout le monde les couche en joue.* By taxes, by loans, the State, the Departments, the Villes, and the Companies dispute for its possession. If the harvest of these reserved fruits promise to amount to 20 millions sterling, they enter into engagements for 40 millions."

These were the views entertained by cautious and able observers in the early part of 1854.

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## SECTION 8.

### *The Schemes for establishing an Artificial Cheapness of Bread*, 1854–56.

The Harvest of 1852 had been unfavourable. The Harvest of 1853 was seriously deficient. The excess of the Imports of Grain into France over the Exports, did not cost less in 1853 than 4 Millions sterling; in 1854 the cost was between 5 and 6 Millions sterling; and in 1855 scarcely a less sum.*

M. Leon Faucher has referred to the debt of a million sterling which, in the early part of 1854, had been contracted by the City of Paris in the form of Bonds issued by the Caisse de la Boulangerie, or the Bakers' Bank.

This institution at Paris was in reality a contrivance for extending, not only to the poor, but to the general population of Paris, a species of special Poor Law, the object of which should be to

* The official average price for the whole of France of the Hectolitre of Wheat was in the —

| Years. | Francs. | Years. | Francs. |
|---|---|---|---|
| 1844 | 19·75 | 1850 | 14·32 |
| '45 | 19·75 | '51 | 14·48 |
| '46 | 24·05 | '52 | 17·25 |
| '47 | 29·01 | '53 | 22·39 |
| '48 | 16·65 | '54 | 28·82 |
| '49 | 14·15 | '55 | 29·32 |

The very low price of Wheat during the five years, 1848–52, goes a long way to explain the comparative tranquillity of France during the Revolutionary period. And it must be remembered that Bread enters far more extensively into the consumption of a French family than of an English one.

administer relief during the Scarcity by providing for the sale of bread on terms very considerably *below* the price which must have been paid if the Bakers had been left to adjust their charges to the natural course of the Corn Market; and similar Bakers' Banks were established in all the great Centres of population. The theory of the plan was that in Paris bread should be sold *below* its natural price in dear years, and *above* its natural price in cheap years; and that the debt necessarily contracted by selling bread at a loss should be liquidated by the gain to arise from selling bread at a profit.

This scheme was made to occupy a considerable space in the public mind early in 1854. It was referred to with marked emphasis in the Emperor's Speech of the 2nd March, 1854, — the speech in which he announced the Commencement of the War; and the doctrines stated in the paragraphs of that speech are so extraordinary that they may well justify quotation. The Emperor said to the Legislative Corps: —

"Above all, I recommend to your attention the "system now adopted by the City of Paris; for if "it extends, as I trust it will, to *the whole of France*, "*it will for the future prevent in the Price of Corn* "those extreme variations which, in times of "abundance, cause agriculture to languish in con- "sequence of the low price of Wheat; and, in years "of scarcity, the Poorer Classes to suffer so greatly "from its excessive Dearness.

"That system consists in establishing, in all "great centres of population, an institution of "Credit, under the name of Caisse de la Bou- "langerie, *which can give, during the months of a* "*year of dearth, bread at a price infinitely inferior* "*to the official quotation*, on condition of paying a "little dearer in years of fertility. These latter "being in general more numerous, it is easy to

" conceive that the *compensation between the two* " *can be effected with facility.*

" In addition, the immense advantage is gained " of founding Societies of Credit, which, in place " of gaining so much the more when bread is " dear, are interested, like every one else, in its " becoming cheap; for contrary to what has ex- " isted up to the present time, such institutions will " make their profits in seasons of fertility, and lose " money in seasons of scarcity."

It would be very difficult to find any passage pronounced publicly, by the supreme authority of an enlightened State, in which, in so small a compass as these paragraphs, so much gross and fatal error is contained. The proposition put forward is neither more nor less than that the State, by means of one of its ordinary Departments, may with facility counteract the natural effect of the Seasons.

The Caisse was established by Imperial Decree in December, 1853.

It was considered that the population of Paris, and the other large cities, ought not to pay more than 40 cents per Kilogramme for Bread of the first quality, or equal to about eightpence sterling for the 4 lb. loaf. All persons manufacturing or selling bread in Paris were placed under the direct control of the functionaries of the Caisse; and although the machinery by which these dealers were prohibited from charging more than 40 cents to the public, on the one hand, and were enabled, from the Caisse, to claim the amount of loss thence arising, was intricate and tedious, the practical operation of the scheme amounted to this; — namely, — that, directly or intermediately, all flour brought to Paris was sold to the Bakers through the Caisse; and all bread supplied to the public was supplied by the Caisse at the fixed price of 40 cents.

The sums required to carry on this enormous

and losing trade were raised by floating obligations guaranteed by the City of Paris. Early in 1854 they amounted to a million sterling, and they rapidly increased. In June, 1856, when the Caisse had been two years and a half in operation, the Debt contracted by it amounted to considerably more than Two millions sterling. A debt so formidable compelled the Government to interfere. It did so by ordering that the Maximum price should be raised to 45 cents; and shortly afterwards further raised to 50 cents. The Government also contributed, as a gift, 800,000*l.* to assist further operations; and it was admitted, that even five years of good harvests would not enable the Caisse, supposing that the principle upon which it was founded could be acted upon without interruption, to discharge the debt resting upon it in consequence of losses, interest, and charges of management.

It began also to be discovered, that what was called the principle of the scheme was radically defective. The intervention of the Caisse removed wholly and at once the natural and wholesome competition of interest between the sellers and buyers of Corn. The Bakers bought only through the Caisse, and sold only through the Caisse; and between the Bakers on the one side, and the Farmers on the other, it is quite certain that the functionaries of the Caisse paid much more than the natural value for the unground Corn, and received much less than the natural value for the manufactured loaves. The dealers were acute enough to discover methods of thriving by means of the Caisse, if not by means of their legitimate trade.

## SECTION 9.

*Deficits* 1853–55. — *Position of the Railway Construction and Railway Expenditure in France, at the close of* 1856. — *Engagements for the next Ten Years*, 1857–66.

As far as can be ascertained from the intricate and fluctuating mode in which the French Revenue and Expenditure Statements are framed, the Deficits of the three years 1853, '54, and '55, amounted together to about 25 Millions Sterling; and these Deficits were entirely independent of the additions made to the Funded Debt by the three public loans for the 65 Millions Sterling.

It must be concluded that in some form or other these 25 Millions of Deficit were added to the Floating Debt; and it must also be concluded that in some mode or other means are found of diminishing the excessive amount of that Debt from time to time. So involved and unsatisfactory are the modes of stating the transactions of the French Treasury; and so mysteriously does the machinery of the Sinking Fund appear and disappear above the surface; that it ought not to excite any surprise if at some future time it shall be discovered that considerable transfers have been made year by year for several years past from the Floating to the Funded Debt.

The continuance of the War, the pressure of Scarcity, and the large expenditure on public works, was not allowed, during 1854, '55, and the first eight months of '56, to interfere with the career of the Joint Stock adventures in France, of which the leader and the type was the Credit Mobilier.

Early in 1855 the Credit Mobilier was encouraged to enter into a gigantic scheme with the Austrian Government for the construction, in various parts of the German Dominions of Austria, of several

Trunk Lines of Railway, extending to about 750 English Miles; and to take or lease from the Austrian Government a long list of Mines, Forests, Manufactories, and other industrial establishments. The total Capital required was 16 Millions sterling. Half the capital (8 Millions) was to be advanced to the Austrian Government by monthly payments, extending over three years, and commencing on the 1st March, 1855, with the option of discount at 4 per cent. per ann. for the first thirteen payments. This payment of 8 Millions was to be in the nature of purchase money for the transfer to the Company of the right and interest of the Austrian Government in the Lands, Mines, Forests, &c., made over to the adventurers; and the remaining 8 Millions of the Joint Stock Capital was to be appropriated to the construction of the 750 miles of Railway.

On the part of M. Bruck, the Minister of Finance at Vienna, it was represented that Austria was willing to alienate so large a portion of the public domains in order to reduce the 40 Millions sterling of inconvertible Paper Money which on the 1st February, 1855, had been emitted by the Austrian National Bank; and it was calculated that the net proceeds of the 8 Millions sterling of purchase money would admit of the redemption of at least 7 Millions sterling of the forced paper. Gigantic and full of uncertainty as this project may appear, it met with great favour in Paris, and the shares of 500 francs each were immediately quoted at nearly 700 francs, or 40 per cent. prem.

Again, in the early part of 1856, the Credit Mobilier was further encouraged to extend its transactions with Austria, by entering into another engagement to provide a net-work of Railways in Lombardy, at a cost of 6 Millions sterling.

A few months later, a still more extensive engagement was made with Spain; and in November all the preliminaries were concluded with the Rus-

sian Government for expending 40 Millions on Railways in that country in the course of five years.

But prior to November ('56), severe pressure had already occurred in France among the Companies to whom concessions had been granted.

Serious apprehensions were excited by the magnitude of the engagements arising out of the very large Concessions for New Lines granted by the Government since the close of 1851. It was found that, during the four years 1852–55, these Concessions included not less than 3500 English Miles of Railway, the cost of which might be assumed to be 100 Millions sterling. During 1856, further Concessions had been made; and the extent of the Calls to be provided in 1857, in addition to the *New* Shares to be issued by the Railway Companies, and the money to be raised on Railway Debentures, excited no small alarm.

At length, on the 30th November (1856), an official report was inserted in the Moniteur, from M. Rouher, the Minister of Public Works, in which, in the form of an address to the Emperor, he entered into details which at least have the merit of collecting into a manageable compass, almost for the first time, some of the leading official facts connected with the state of Railway Construction, and the magnitude of Railway Engagements in France.

In the first place, M. Rouher presents certain statements, so adjusted as to apply to the 1st January, 1857, relative to the Length of Mileage for which Concessions had been granted by the Government; to the Mileage actually Open on the date named; and to the Mileage to be *still* completed on that date, some portions of which Mileage were already in progress, and other portions—and those the largest — merely in project.

From the materials thus furnished, I have constructed the following Tables, reducing the French measures and money into their English equivalents:—

(A.) FRENCH RAILWAYS, *1st Jan.* 1857. — *STATEMENT in ENGLISH MILES of the MILEAGE CONCEDED to the leading COMPANIES; of the MILEAGE OPEN; and the MILEAGE YET TO BE COMPLETED; as on 1st Jan.* 1857, *ACCORDING TO THE OFFICIAL REPORT of M. Rouher.*

| 1 | 2 | 3 | 4 |
|---|---|---|---|
| Length conceded. | Companies. | Mileage open. | Mileage yet to be constructed. |
| English Miles. | | English Miles. | English Miles. |
| 607 | Northern - - | 495 | 112 |
| 1111 | Eastern - - | 687 | 424 |
| 1105 | Western - - | 547 | 558 |
| 509 | Southern - - | 445 | 65 |
| 1083 | Orleans - - | 759 | 324 |
| 1554 | Lyons Group - | 958 | 596 |
| 763 | Central - - | 80 | 683 |
| 252 | Various - - | 65 | 186 |
| 6984 | | 4036 | 2948 |

NOTE.—In addition to this statement of the actual position of Railway Construction and Concessions on 1st Jan. 1857, M. Rouher gives the following statement of the:—

*Arrangement settled on* 1st *Jan.* 1857, *as regards the Extent of Railway Mileage to be completed during the Ten Years,* 1857—1866.

| Years. | To be opened. | Probable Cost at 30,000*l.* p. Mile. | Years. | To be opened. | Probable Cost at 30,000*l.* p. Mile. |
|---|---|---|---|---|---|
| | *Eng. Miles.* | *Milns.* | | *Eng. Miles.* | *Milns.* |
| 1857 - | - 600 - | - 18·1 | 1862 - | - 50 - | - 1·5 |
| '58 - | - 530 - | - 16·0 | '63 - | - 190 - | - 5·7 |
| '59 - | - 740 - | - 22·2 | '64 - | - 146 - | - 4·4 |
| '60 - | - 145 - | - 4·3 | '65 - | - 146 - | - 4·4 |
| '61 - | - 340 - | - 10·2 | '66 - | - 230 - | - 7·0 |
| | 2355 | 70·8 | | 762 | 23·0 |

In the Ten Years therefore the *Total Mileage* to be opened would be 3117 English Miles, and the *Total Expenditure* 100 Millions sterling.

If to the details contained in this Table (A.), we add the details of Expenditure contained in the next Table (B.), we shall be able to estimate, with some degree of precision, the progress of the Railway Construction in France.

(B.) FRENCH RAILWAYS, 1830–56.—*ABSTRACT of the OFFICIAL STATEMENT of 30th Nov.* 1856, *by M. ROUHER, Minister of Public Works, relative to the Amount of the ACTUAL EXPENDITURE on RAILWAYS in FRANCE, by the State, and by Private Companies, in Periods of Years,* 1830–56.

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| PERIODS. (Years both inclusive.) | Expended by the State. | Expended by Companies. | TOTAL. | *Average Annual* Total Expenditure. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1830–47 | 11·3 | 27·3 | 38·6 | 1·5 |
| 1848–51 | 11·9. | 8·1 | 20·0 | 5·0 |
| | 23·2 | 35·4 | 58·6 | 2·7 |
| 1852–54 | 2·1 | 25·9 | 28·0 | 9·3 |
| 1855 | 2·2 | 17·2 | 19·4 | 19·4 |
| 1856 | 0·8 | 18·3 | 19·1 | 19·1 |
| | 28·3 | 96·8 | 125·1 | 13·3 |

NOTE.—The five unit figures are omitted: thus, 11·3 represents 11,300,000*l.*

The extent of Railway entirely *open* at the end of 1856 is stated by M. Rouher to be 6500 Kilometres, which is equal (at 0·621 Eng. mile = 1 Kilom.) to 4036 English miles; and, taking the total cost at 125 millions sterling, the average cost per mile of the French Lines will be 30,000*l.*

In a preceding Part (see Part III. Vol. V. pages 376–380 *antè*), I have given a comparative statement of the extent and cost of English and Foreign Lines. At the close of 1856 it is probable that the extent of mileage, actually open and at work in the *United Kingdom*, is very nearly 10,000 miles (two and a half times the mileage in France); and it is probable that the average actual cost p. mile of the British Lines at the close of 1856 is not materially beyond the 30,000*l.* expended p. mile in France.

It appears, from the data contained in these Tables (A.) and (B.), that, at the close of 1851, the *Actual Expenditure* on Railways in France, by the State and by Private Companies. holding Concessions, had been a little short of 60 Millions sterling; and such an Expenditure, at the rate of 30,000*l.* per Mile, would justify the assumption that the Railway Mileage actually open in France, at the close of 1851, was about 1600 Miles.

We have seen, in a former page (6. *antè*), that the Actual Expenditure, during the Five Years 1843–47, was about 7 Millions per Annum. It appears, that the Actual Expenditure, during the Five Years 1848–51, was about 5 Millions per Annum. There was no large expenditure prior to the year 1840. Of the 60 Millions expended to the close of 1851, more than a third (23 Millions) had been directly provided by the State.

With the year 1852 began an entirely new system.

To use M. Rouher's expression, "under the incessant action of Credit," the average annual Railway Expenditure of the three years 1852, '53, and '54, was raised to nearly 10 Millions, or double the expenditure of 1848–51. And during the two years 1855 and '56 the Expenditure was raised to nearly 20 Millions, or double the outlay of the years 1852–54. As a matter of fact, the Total Expenditure of the Five Years 1852–56 was 66 Millions sterling.

We have ascertained, by data contained in the Second Part of these Volumes (*antè*, v. 352. &c.), that the Average Annual Expenditure, during the Five Years 1846–50, of the Great Railway Construction, in this Country, was about 30 Millions; and that the Capital absorbed by that Expenditure was only supplied by efforts of the most severe kind, and by economies and extra exertions on the

part of the Middle Classes which, in many quarters, have not yet ceased.

Comparing the relative resources of this country and of France, we may reasonably assume that at least efforts quite as severe would be required to sustain a Railway Expenditure of 20 Millions a year in France, as were necessary to sustain, even for a short time, a Railway Expenditure of 30 Millions a year in England.

As regards the future, it appears, from the details in Table (A.), that, for the Ten Years 1857 to 1866, the Concessions already granted will entail an Expenditure of about 100 Millions sterling, or an average annual outlay of 10 Millions.

But, for the three years 1857–59, the average annual outlay will be very nearly 20 Millions; and to restrain the expenditure within that limit, there must be a total denial of authority for any New Lines.

The immediate measure adopted by the French Government, and announced by M. Rouher, was to prohibit the Railway Companies from raising, in 1857, by means of "Securities"—implying by that term, it is to be presumed, Debentures and Preference Shares — a larger aggregate sum than 8½ Millions. To the 8½ Millions so to be raised, the addition of the further resources derivable from Calls would raise the Total amount of Capital to be applied by the Railway Companies in 1857 to the sum of 16 Millions sterling.

## SECTION 10.

*Former Schemes for establishing a Central Bank in France. — The Schemes of* 1716 *and* 1776. — *Failure of both.*

The Bank of France was established by Bonaparte, as First Consul, in February, 1800,—the Year VIII. of the Revolutionary Calendar.

Its Capital was 1,800,000*l.*, in 45,000 shares of 40*l.* each. One half of the funds arising from this subscription was applied by the French Government to the purchase of Rentes, with a view to raising the price of the public funds; and the other half was applied also by the Government in the discount of acceptances given by the Receivers-General of the Revenue.

The Government did not repay the advances made by the Bank; and the bills of the Receivers-General were largely dishonoured. Other difficulties arose, and in 1806, the Bank suspended payment.

It was reconstituted by a Law of the 22nd April, 1806; under the provisions of which the Capital became 3,600,000*l.*, and there was to be a Reserve Fund of 400,000*l.* The Circulation of the Notes of the Bank was about 2 Millions sterling; and it is probable that the total amount of available means obtained from Capital, Reserve, Circulation, and Deposits, was nearly 7 Millions sterling. Of this 7 Millions, about a third ($2\frac{1}{4}$ Millions sterling) seems to have been held by the Bank in the form of a Specie Reserve.

Under the Charter of 22nd April, 1806, the Government retained the power of controlling the

declaration of dividends, and of nominating the Governor and two Sub-Governors of the Bank,—officers who held their appointments during pleasure, and to whom considerable salaries were assigned. Between 1806 and 1815, the Bank was chiefly maintained for purposes connected with the State. Its resources did not materially increase beyond the standard of 1806; and on three or four occasions its solvency was placed in great jeopardy by the magnitude of its advances to the Treasury.

We will consider presently the progress of the Institution subsequent to the fall of the Empire in 1815.

The Bank of France is the third great attempt in France to establish a central Banking Institution of large resources and unquestioned credit.

The first attempt was Law's Bank, of 1716; and the second was the *Caisse d'Escompte*, of 1776.

Under the original Charter, granted to Law on the 2nd May, 1716, the Capital of his Bank was to be 6 Millions of Livres Tournois (equal, at 24 per £, to, say 250,000*l.*), to be raised in 1200 shares of the large amount of 5000 Livres (210*l.*) each. The Notes issued by the Bank were to be payable to Bearer on demand, and to be payable in coin of the same weight and fineness as the standard prevailing in 1716 — a stipulation of no small value in a country, and at a time, when the debasement of the coinage was a systematic resource of the budget.

The first efforts of Law were directed to increase the Circulation of his Notes; and by a multitude of devices he succeeded in this object so well, that by the middle of 1717 his Circulation had reached about 2¼ Millions Sterling, or ten times the Capital of the Bank.

In August of that year, 1717, the larger features of the system began to appear.

The Bank ceased to be a trading Company for

ordinary purposes of Banking,—that is to say, for the custody of deposits, for the management of current accounts, the transmission of funds from one place to another, the discounts of bills, and the issue of notes payable in coin to the bearer on demand. It became what in modern times would be described as a Great Institution of Credit.

The Decree of August, 1717, invested the Managers of the Bank, under the title of *Compagnie des Indes Occidentales*, with the sovereignty and exclusive trade of Louisiana, and with the monopoly of the Canadian Fur Trade. Other Decrees followed in 1718 and 1719, granting to the managers and shareholders of the Bank first one undertaking and then another, until the confederacy had become almost the sole trader and the sole money-dealer in the nation. It is not necessary to follow the history into its details, nor to point out the successive schemes for the monopoly of the trade east of the Cape of Good Hope;—for the monopoly of the Tobacco manufacture;—for the monopoly of the Re-coinage, and the like. The principle was the same throughout, namely, to create a rapid series of new enterprises, for each of which a series of new shares was issued, enriching, by the premium they bore, the supporters of the original scheme.

The effects were twofold;—first, the country was demoralised and impoverished by the extravagance and gambling generated by the rampant speculation in shares; and second, no small part of the real capital of the community was dissipated and lost by the Managers of the Concern, to whom it had been advanced;—either as Deposits; or in exchange for the Notes which, by the iniquitous edict of the 20th January, 1720, were declared to be a compulsory tender, and speedily ceased to possess any value.

It is probable that, at the date of this confiscation, the amount of the outstanding Notes of the

*Banque Royale* was about 35 Millions sterling. The paid up capital of the *Compagnie des Indes*, as represented by the Shares issued, was about 13 Millions sterling; and it seems to be established, that these shares had been issued by the Company, or by its managers or immediate supporters, at a price not much less than 75 Millions sterling,—that is to say, at a premium of about 500 per cent. The revenue of the *Compagnie des Indes*, out of which expences and a dividend were to be provided, has never been stated at more than 3½ Millions sterling; and it is almost certain that, in reality, the surplus fairly available for a dividend never amounted to 1½ Millions sterling,—that is to say, never amounted to more than about 2 per cent. per annum on the issue price (of the shares) of 75 Millions.

It is by no means ascertained what were the precise operations, either of the Banque or the Compagnie. Advances and discounts for commercial purposes were no doubt to some extent undertaken by the Banque; and trade of some kind was no doubt attempted by the Compagnie. In both cases, however, it is clear that the State possessed itself of by far the largest share of the solid resources of both institutions; and that the remainder were not applied in any *bonâ fide* and prudent mode of investment, from which a real income could be obtained.

But during the year or two years that the career of these Companies lasted, the state of France can only be described in language which befits the wildest flights of fable. Extravagance, expenditure, and excess have probably never held so reckless a carnival in the midst of so vast a crowd.

Then came the end. The nation had been rioting away its capital. To meet its boundless consumption, there had been produced scarcely one exchangeable commodity; nor had there been the application of scarcely a single hand to any useful

service. The Foreign countries who had become creditors of France would not accept the notes of the Banque Royale, nor the shares of the Compagnie des Indes; and the catastrophe of 1720. was occasioned, as all similar catastrophes ever have been and ever must be occasioned, namely, by the disappearance of the metallic money for purposes of foreign remittance.

The *Caisse d'Escompte* of 1776 was projected by Panchaud and Clonard, two financiers of that time, and was constituted by a Decree of the 24th March (1776), with a prescribed capital of 600,000*l.*, of which 400,000*l.* was to be at once lent to the State. The public, however, would not subscribe on these terms, and eventually the advance of the 400,000*l.* was abandoned, and the Bank commenced business with a capital of 300,000*l.*

For a few years the institution seems to have proceeded prudently; but, in 1782, under the pressure of the War with England, the French Government called upon the Bank to do two things, namely;—(1.) Reduce, artificially, the rate of discount to 4 per cent. per annum to the public; and, (2.) Make a large advance to the State. The consequences were not long delayed. In the next ensuing year the Bank stopped payment, and a Decree of the 27th September, 1783, rendered the Notes of the Bank, amounting to about 1½ Millions sterling, a compulsory tender.

The termination of the War in 1783 enabled the Government to repay some of its obligations to the Caisse d'Escompte, and the Bank resumed and extended its business.

In 1787 the exhaustion of the public exchequer led the Government to require a loan from the Bank of nearly 3 Millions sterling, under the plea of extending a State Guarantee to the Bank's Circulation of nearly 4 Millions sterling.

The troubles of the Revolution had even then

commenced; and on the 4th August, 1793, the Convention voted a law which swept into the great Chaos the Caisse d'Escompte and all its ramifications.

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## SECTION 11.

*Bank of France. — Its Constitution as settled in* 1803 *and subsequent Years. — Its actual Progress*, 1800–39.

We may now resume the outline of the history of the Bank of France, subsequent to its definitive establishment.

According to the second Charter of the Bank (24 Germinal, Year XI.), of the 14th April, 1803, the management was placed in the hands of three persons chosen by fifteen "regents" or electors named by the general body of shareholders. The third Charter, of 1806, substituted for this independent control, a Governor and two Sub-Governors, named by the State, assisted, it is true, by a Board of fifteen Directors, chosen by the shareholders, but of these fifteen two were required to be Receivers-General. The shareholders, however, were allowed to name three "Censeurs." The Charter of 1803 granted to the Bank its exclusive privileges till 24th September, 1818; the Charter of 1806 prolonged the period to 24th September, 1843; and a law of the 30th June, 1840, again extended the term to 31st December, 1867. We shall find, at a future stage of the narrative, that the treaty of 1852 granted a further prolongation.

The Capital of 3,600,000*l.*, in 90,000 shares of 40*l.* (1000 fr.) each, authorised by the law of 1806, had been reduced, prior to 1848, by repur-

chases, to 2,716,000*l.*; but the absorption of the *Banques Departmentales* in April, 1848, again raised the Capital of the Bank of France (by the addition of 834,000*l.*) to a sum of 3,650,000*l.*, its present (1856) amount.

The Charter of 1803, and a Law of January, 1808, rigidly confined the operations of the Bank;—(1.) To the Discount of Bills of Exchange bearing not less than *three* signatures, or bearing two signatures fortified by a transfer of Rentes, or shares in Canals or other undertakings possessing the guarantee of the State; (2.) To advances on the deposit of Gold and Silver; (3.) The Bank was forbidden to make advances on Stock; but subsequently, by a law of May, 1834, the Bank became authorised to make advances direct on the deposit of Rentes (*fonds Publics Français*); (4.) To open Accounts Current with individuals, but to allow no interest, and permit no over-draft; (5.) To act as a Bank of agency for the receipt of Dividends, &c.; (6.) To issue Notes payable to bearer, and at date.

The law of 1803 fixed the smallest denomination of the Notes of the Bank of France at 500 frs. (20*l.*); and it was not until the law of the 10th June, 1847, that the limit was reduced to 200 frs. (8*l.*) The Decree of 15th March, 1848, reduced the limit to 100 frs. (4*l.*) The Provisional Government proposed to reduce the limit to 20 frs., but the Council of the Bank overruled the proposal.

A law of 16th January, 1808, accorded to the Bank of France the privilege, or rather required of the Bank of France the performance of the duty, of establishing Branch Banks dans les Villes où les besoins du Commerce en feraient sentir la nécessité. Accordingly, in 1808, a Branch was opened at Rouen, and, in 1810, a second one at Lyons; but in a few years both were closed, as being un-

profitable. In 1835 renewed efforts were made to establish Branches, and with far better success. In February, 1848, fifteen branches were in active operation in the large towns. The lowest denomination of the Notes of the Branch Banks, prior to 1848, was 250 fr. (10*l.*), or half the amount of the smallest denomination (500 fr.) of the notes of the Central Bank.

Besides the Bank of France and its Branches, there were in existence, down to 1848, certain joint-stock banks, formed under a law adopted in 1803, and called Banques Departmentales.

At the close of 1847 there were nine of these Banks existing in as many of the larger towns. Their paid-up capital was a little less than a Million sterling; their Circulation in Notes of 250 fr. each, was $3\frac{1}{2}$ Millions sterling, and the amount of their Deposits about $\frac{3}{4}$ths of a Million sterling. The Dividend paid to the shareholders had been for some time about 10 per cent. per annum. The management of these Banks was as much under the control of the Government as that of the Bank of France.

I have already said that in April, 1848, the whole of the Banques Departmentales were incorporated with the Bank of France.

Prior to 1835, when the Bank began to open Branches, the Notes of the Bank of France did not readily circulate beyond Paris, and in remote Departments it was impossible to obtain coin for them, except at a discount frequently of 1 or 2 per cent. The large denomination also (500 fr.) of the Notes rendered them inconvenient. In 1834 the Circulation was about $8\frac{1}{4}$ Millions sterling, and in 1846–7 it had risen to $10\frac{1}{4}$ Millions, the size of the Notes remaining the same.

Under the more settled administration of the Bank of France after the Restoration, it became a principal part of its policy to maintain a Rate of Discount as nearly uniform as possible; and, in

point of fact, the rate remained at 4 per cent. per annum from 1820 to 1847. In a note at the foot of the page I give a list of the alterations since the formation of the Bank in 1800.*

For some years prior to 1848, the Dividend paid on the shares of the Bank was about 14 per cent. per annum. In 1848 the Dividend fell to 7 per cent. per annum. In the four years, 1849—52 it was about 10 per cent.; but in 1853 and 1854 it rose to 15 per cent. and 19 per cent. In 1820, a Bonus was distributed of 8*l.* to each 40*l.* share; and in 1831 a second Bonus of 6*l.* per 40*l.* share. Prior to 1848, the market price of the 40*l.* shares was 120*l.* to 130*l.*, yielding, therefore not five per cent. to the purchaser. In 1848, the price fell below par. In 1849–51, the price was about 80*l.* In 1852–54 it again stood at about 130*l.*

I may now introduce the following Table (C.) compiled from official sources, exhibiting in sterling the average annual amount of Specie in Reserve, and Notes in Circulation, from the foundation of the Bank to the close of the year 1839.

* The following have been the Rates of Discount adopted by the Bank of France, the general limit as to the *échéance* of the Bills being 90 days.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1800 | 20 Feb. | 6 per cent. | per ann. | 1853 | 7 Oct. | 4 per cent. | per ann. |
| 1806 | 13 Nov. | 5 | „ | 1854 | 20 Jan. | 5 | „ |
| 1807 | 4 Aug. | 4 | „ | „ | 12 May | 4 | „ |
| 1814 | 1 Mch. | 5 | „ | 1855 | 5 Oct. | 5 | „ |
| „ | 1 Aug. | 4 | „ | „ | 19 „ | 6 | (75 days.) |
| 1819 | 1 June | 4 & 5 | „ | 1856 | 31 Mch. | 5 | „ |
| 1820 | 1 Feb. | 4 | „ | „ | 25 Sep. | 6 | (60 days.) |
| 1847 | 14 Jan. | 5 | „ | „ | 6 Oct. | 6 | „ |
| „ | 27 Dec. | 4 | „ | „ | 26 Dec. | 6 | (75 days.) |
| 1852 | 3 Mch. | 3 | „ | | | | |

The rates of 1st June, 1819, were 4 per cent. for Bills under 30 days, and 5 per cent. for Bills above 30 days; and the rate of 6 per cent., on 19th Oct., 1855, limited the échéance to 75 days.

The Governors of the Bank named by the State have been, — M. Cretet, April, 1806; M. Jaubert, Aug. 1807; M. J. Laffitte, April, 1814; M. Gaudin, Aug. 1820; Comte d'Argout, April, 1834; M. Davillier, Feb. 1836; Comte d'Argout, a second time, Sep. 1836 — an appointment still held by this eminent person.

(C.) BANK OF FRANCE, 1800—1839.— *STATEMENT of the ANNUAL AVERAGE AMOUNT of SPECIE in RESERVE, and of NOTES in CIRCULATION, from the FOUNDATION of the BANK, 24th Pluviose, Year* VIII. (*13th February*, 1800), *to the Year* 1839, *both inclusive, stated in Millions sterling, at 25 francs = £.*

| 1 | 2 | 3 | 1 | 2 | 3 | 1 | 2 | 3 |
|---|---|---|---|---|---|---|---|---|
| Year. | Specie in Reserve. | Notes in Circulation. | Year. | Specie in Reserve. | Notes in Circulation. | Year. | Specie in Reserve. | Notes in Circulation. |
| | Mlns. £ | Mlns. £ | | Mlns. £ | Mlns. £ | | Mlns. £ | Mlns. £ |
| 1799 | ·33 | ·64 | 1814 | 1·83 | 1· | 1829 | 7·62 | 7·95 |
| 1800 | ·38 | ·85 | '15 | 1·97 | 1· | '30 | 5·80 | 8·96 |
| '1 | ·43 | 1·22 | '16 | 1·95 | 2·63 | '1 | 7·90 | 8·76 |
| '2 | ·54 | 1·70 | '17 | 2·72 | 3·0 | '2 | 10·02 | 9·15 |
| '3 | ·68 | 2·43 | '18 | 3·69 | 4· | '3 | 7·47 | 8·47 |
| 1804 | ·47 | 2·81 | (Ave.) | 2·37 | 3·21 | 1834 | 6·30 | 8·26 |
| '5 | ·30 | 2·38 | | | | '5 | 7·33 | 8·85 |
| '6 | 1·78 | 2·20 | 1819 | 5·38 | 4·10 | '6 | 5·77 | 8·53 |
| '7 | 2·98 | 3·40 | '20 | 7·77 | 6·21 | '7 | 6·51 | 8·16 |
| '8 | 2·55 | 3·81 | '1 | 6·17 | 7·19 | '8 | 10·76 | 8·40 |
| | | | '2 | 7·16 | 7·47 | | | |
| (Ave.) | 1·04 | 2·14 | '3 | 7·36 | 7·58 | (Ave.) | 7·55 | 8·55 |
| | | | 1824 | 5·88 | 8·97 | | | |
| 1809 | 2·00 | 3·80 | '5 | 5·30 | 8·72 | 1839 | 9·09 | 8·51 |
| '10 | 1·61 | 4·02 | '6 | 4·01 | 6·92 | | | |
| '11 | 3·90 | 3·92 | '7 | 6·76 | 7·65 | | | |
| '12 | 3·04 | 4·26 | '8 | 8·44 | 7·94 | | | |
| '13 | 1·02 | 3·05 | | | | | | |
| | | | (Ave.) | 6·42 | 7·28 | | | |

NOTE.—The four figures at *unit* end are omitted: thus ·33 represents 330,000*l.*

We see very clearly in this Table the exhaustion of the Specie Reserve of the Bank in the years 1813, '14, '15, and '16, and its rapid recovery to the close of 1820. It was reduced in 1826,

and again in 1830. It also suffered some reduction in 1836. But 1838 and '39 are the years of highest amount in the whole series.

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## SECTION 12.

*Bank of France.—The Crisis of* 1847.—*Nature and Extent of its Operations*, 1843–47.

In the next Table (D.) we shall be able to trace with considerable minuteness, the progress of the severe pressure arising out of the failure of the Harvest of 1846.

The statement represents, for each period of three months during the two years 1846 and 1847, the five leading heads of Assets and Liabilities.

(D.) BANK OF FRANCE, 1846 *and* 1847. — *STATEMENT of the AVERAGE QUARTERLY AMOUNTS of SPECIE, DISCOUNTS, CIRCULATION, CURRENT ACCOUNTS* (i. e. *Deposits*), *stated in Millions Sterling at* 25 *f.* £.

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| ASSETS. | | THREE MONTHS. | LIABILITIES. | | |
| Specie. | Discounts. | | Circulation. | Treasury Cur. a/c. | Sundry Cur. a/cs. |
| Mlns. £ | Mlns. £ | 1846. | Mlns. £ | Mlns. £ | Mlns. £ |
| 7·56 | 7·23 | Jan. Feb. Mch. | 10·85 | 4·82 | 3·02 |
| 7·91 | 5·45 | Apl. May, June | 10·40 | 4·64 | 2·32 |
| 7·59 | 5·42 | July, Aug. Sept. | 10·34 | 4·80 | 2·21 |
| 4·40 | 6·18 | Oct. Nov. Dec. | 10 ·4 | 2·23 | 2·22 |
| | | 1847. | | | |
| 2·66 | 7·72 | Jan. Feb. Mch. | 10·22 | 1·61 | 2·32 |
| 3·10 | 6·70 | Apl. May, June | 9·63 | 2·03 | 1·96 |
| 3·56 | 6·98 | July, Aug. Sept. | 9·19 | 3·45 | 1·77 |
| 3·38 | 6·90 | Oct. Nov. Dec. | 9·38 | 2·19 | 1·96 |

The Bank of France was compelled, on the 14th January, 1847, to depart from the rule which it had maintained since February, 1820, and raise the Rate of Discount from 4 to 5 per cent. per annum.

We may trace in the figures of the Table the severity of the crisis.

In the summer of 1846 the Specie was $7\frac{1}{2}$ Millions, and the Discounts not quite $5\frac{1}{2}$ Millions. In the early part of 1847 the Specie had fallen to $2\frac{1}{2}$, and the Discounts had risen to nearly 8, Millions.

But the Circulation had been scarcely affected at all; and I gladly consign to the currency theorists the task of explaining satisfactorily, on their hypothesis, how it happened that, with the Bullion reduced by 5 Millions, and the Discounts raised by $2\frac{1}{4}$ Millions, the Circulation was not appreciably influenced,—the real variation being no more than from 10,340,000*l.* to 10,220,000*l.*

The 5 Millions of Bullion, required for export, had been obtained by a reduction of 3 Millions in the Public Deposits, and by an addition of 2 Millions to the Discounts; and the whole of the operation had resolved itself into effects produced on the rate of interest and the state of credit. The rise of the Rate of Interest and other measures of restriction applied to the Bills offered for discount, enabled the Bank to act upon credit; and the acting upon credit, aided by the infallible influence on the balance of trade of considerable transmissions of treasure, supplied the means of gradually removing the difficulty. But the Circulation, as appears very plainly by the figures of the Table, was no more than a passive element throughout the whole of the process.

For a series of years prior to 1848 the elaborate annual Reports, issued by the Bank of France, enable us to ascertain, with great minuteness, the general character of the Discount Business transacted both at the Head Office and the Branches.

And, availing myself of those Reports, I have obtained, by a careful collation of various portions of them, the materials of two statements of the Discount Business of the Bank of France, exceedingly useful in enabling us to understand the important difference which exists between this country and France, in all that relates to Paper Credit; and also in enabling us to estimate, numerically, the essentially limited and retail nature of the trade of France, as compared with the trade of this country.

The first of the Statements I have mentioned is the following Table (E.), exhibiting the extent and nature of the Discount Business of the Central Office of the Bank of France at *Paris* during the Five Years 1843–47.

(E.) BANK OF FRANCE, *Head Office, Paris.—DETAILS of BILLS discounted,* 1843—1847.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| YEAR. | TOTAL DISCOUNTS. | | | | MAGNITUDE OF THE BILLS DISCOUNTED. | | | | | |
| | Bills. | Total Amount. | Average Amount p. Bill. | Average Usance. | Bills under 200 f. (£8) each. | | Bills from 200 f. (£8) to 1000 f. (£40) each. | | Bills of 1000 f. (£40), and above. | |
| | No. | Mlns. £ | £ s. | Days. | No. | p ct. | No. | p. ct. | No. | p. ct. |
| 1843 | 668,000 | 30·86 | 46 4 | 51 | — | — | — | — | — | — |
| '44 | 696,000 | 30·00 | 43 1 | 44 | 112,000 | 16 | 344,000 | 50 | 239,000 | 34 |
| '45 | 869,000 | 40·14 | 46 4 | 48 | 132,000 | 15 | 428,000 | 50 | 308,000 | 35 |
| '46 | 926,000 | 47·64 | 51 8 | 46 | 185,000 | 20 | 453,000 | 48 | 288,000 | 32 |
| '47 | 963,000 | 53·18 | 55 4 | 46 | 126,000 | 13 | 470,000 | 48 | 368,000 | 39 |

NOTE.—This Table may be read thus: For example,—In the year 1844 there were discounted by the Bank of France, at the Head Office at Paris, a total number of 696,000 separate Bills of Exchange, drawn for a Total Sum of 30,000,000*l.* (sterling); the average amount of each Bill being 43*l.*; and the average usance of each Bill being 44 days.

Further: out of the Total Number of 696,000 Bills, (1.), as many as 112,000, or 16 *per cent.*, were Bills under 8*l.* each; (2.), 344,000 or 50 *per cent.*, were Bills of between 8*l.* and 40*l.* each; and, (3.), 239,000, or 34 *per cent.* were Bills above 40*l.*

And in the next Table (F.) we have a corresponding Statement for 1844–47, of the Discount Business transacted at the *Branches* of the Bank of France.

(F.) BANK OF FRANCE. — *BRANCHES of the OLD FOUNDATION — that is,* before *the Amalgamation in May,* 1848, *with the Banques Departmentales.* — *DETAIL of Bills Discounted,* 1844–47.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| YEAR. | TOTAL DISCOUNTS. | | | | BILLS ON PARIS. | | |
| | Bills. | Total Amount. | Average Amount p. Bill. | Average Usance p. Bill. | Bills. | Average Amount p. Bill. | Average Usance. |
| | No. | Mlns. £ | £ s. | days. | No. | £ | days. |
| 1844 | 178,000 | 12·82 | 71 10 | 61 | 50,000 | 132 | 46 |
| '45 | 214,000 | 15·41 | 73 13 | 58 | 59.000 | 146 | 52 |
| '46 | 227,000 | 16·34 | 74 10 | 66 | 55,000 | 1 42 | 55 |
| '47 | 249,000 | 18·92 | 77 – | 62 | 55,000 | 15 1 | 54 |

TABLE *continued.*

| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|---|---|---|---|---|---|---|
| YEAR. | BILLS "SUR PLACE." | | | BILLS ON BRANCHES. | | |
| | Bills. | Average Amount p. Bill. | Average Usance. | Bills. | Average Amount p. Bill. | Average Usance. |
| | No. | £ | days. | No. | £ | days. |
| 1844 | 126,000 | 47 | 66 | 2,400 | 69 | 56 |
| '45 | 150,000 | 45 | 65 | 5,000 | 70 | 61 |
| '46 | 168,000 | 52 | 68 | 6,600 | 76 | 58 |
| '47 | 186,000 | 55 | 65 | 7,800 | 94 | 55 |

NOTE. — This Table may be read thus: — For example: In the year 1847 there were Discounted by the Fifteen Branch Banks then existing in various parts of France, a Total

Number of 249,000 Bills of Exchange;—Drawn for a total sum of 18,920,000*l.* (stirling);—the average amount of each Bill being 77*l.*,—and the average usance of each Bill 62 days.

Further: Of the Total Number of 249,000 Bills—(1) as many as 55,000 were Bills drawn from the Provinces upon Paris—the average amount per Bill being 151*l.*, and the average usance 54 days;—(2) 186,000 were Bills by one person upon another residing in the various localities of the Branch Banks—the average Bill being 55*l.*, and the average usance 65 days;—and (3) 7,800 were Bills drawn by one Branch Bank upon another—the average Bill being 94*l.*, and the average usance 55 days.

The general results presented by these two Tables of the Metropolitan and Provincial Discounts of France for the Three Years 1845, '46, and '47,—three years, it may be fairly assumed, marked by much more than the ordinary activity of trade in France,—may be stated, perhaps, in the shortest form, as follows:—

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| Average Annual Total Discounts. | During 1845, '46, '47 at | Bills Discounted: Average *Usance* per Bill. | Average *Amount* per Bill. | Average Amount under Discount at one Time. |
| £ | | *Days.* | £ | £ |
| 47,000,000 | Paris | 47 | 50 | 7,000,000 |
| 17,000,000 | Branches | 62 | 75 | 3,000,000 |
| 64,000,000 | | 55 | 63 | 10,000,000 |

The most remarkable circumstance in this summary is the comparatively *insignificant size* of the Bills which are presented for Discount.

In Paris, it appears that the average amount of each Bill is no more than 50*l.*; and we learn from the details of Table (E.) that no less than a sixth part of all the Bills presented for Discount in Paris are under 8*l.* each; and that one half of them are between 8*l.* and 40*l.* each, probably about 25*l.* each on the average.

At the Branches the facts are very nearly the same. More than half the Discount Business at

the Branches, as appears by Table (F.), consists of small Local Bills drawn and made payable "sur place;" and the average amount of these Bills is something under 50*l.* each.

In an Appendix (x.) to these Volumes, I have stated some of the results arising out of a somewhat elaborate Inquiry which I was led to renew in 1854 as regards the magnitude and character of the Bill Circulation of the United Kingdom; and to that Appendix I desire to refer in connection with the subject now under consideration.

We are quite justified in stating the *average amounts* of even the Smallest Class of English Bills at 22*l.*; of the Medium Class at 127*l.*; and of the Largest Class at 1056*l.*; and a comparison of these sums with the average amounts appearing in the French Return, is highly suggestive of the *retail* character of French Trade.

We are also quite justified in stating the amount of Bills of Exchange in Circulation at one time in the United Kingdom, as not less than 180 Millions sterling; and the amount under Discount at one time, as not less than 130 Millions.

Applying the data contained in the Tables (E.) and (F.) we can scarcely estimate the Bill Circulation of France (that is, Bills in Circulation at one time) at more than 23 Millions sterling, or an *eighth* of our own; nor the amount of Bills under Discount at one time in France at more than 18 Millions sterling, or *less* than a *seventh* of our own; and I arrive at these results after making full allowance for the operations of the Private Bankers, of whom there are so many in France; but between the magnitude of the transactions of the Private Bankers in France and the Private Bankers in England there is a wide difference.

We may now appreciate with some approach to distinctness, the essential differences which, prior

to 1848, existed between the Banking systems of France and England.

It was very much the habit in this country prior to 1848, to contrast the equable and unform, course of the Bank of France, and of the Money Market generally in France, with the fluctuations which so constantly occurred in the condition of the Bank of England, and the state of confidence and credit in Lombard-street.

But the truth really is that the two cases presented scarcely any points of analogy.

In France the dealings were essentially of a retail character, and but a very small part of them called into existence any form of transferable credit. The purchases and sales were effected by the employment of an enormous mass of metallic money; and the great central Banking Institution of the country at Paris was enabled to maintain a uniform course, and practically a uniform rate of discount of 4 per cent., for the four sufficient reasons;—(1) Of the comparatively limited external trade of France;—(2) Of the slow and retail nature of the mercantile transactions of France;—(3) Of the very small extent to which those transactions were carried on by means of any form of transferable credit; and (4) lastly, Of the employment upon the largest scale of masses of Metallic Money for all purposes of sale and purchase.

## SECTION 13.

### *Bank of France.—Suspension of Cash Payments in February*, 1848.

When the Revolution of February, 1848, occurred, the Bank of France had a Metallic Reserve at the Head Office and Branches of 9 Millions sterling.

What was the nature of the events which immediately led to the Decree of Suspension of the 15th March (1848) will be best stated in the language of the official Report of Comte d'Argout for the year 1848.

"The Bank," he says, "attempted to face courageously all the demands for specie. After some days of reaction the crisis became redoubled in intensity.

"A report addressed by the Bank to the Minister of Finance, on the 15th March, stated as follows the efforts made to surmount the danger.

"'From the 26th February (1848) to the 15th March (1848), 'that is to say, fifteen working days, the Bank discounted in 'Paris the sum of 4½ Millions sterling. Of the sum of 5 Millions 'sterling, which it held on the Treasury account, it repaid 'more than 3 Millions; and in this repayment is not included 'a sum of 440,000*l.*, placed at the disposition of the Treasury 'at the various Branches of the Bank, in order to provide for 'urgent wants of the public service in the Departments.

"'Further, the Bank discounted 1¾ Millions sterling in the 'fifteen Cities where it has Branches. By discounts granted at 'Paris, the Bank sought to protect against suspension of pay-'ments the Banques Departmentales at Rouen, Havre, Lille, 'and Orleans.'

"From the 26th February to the 14th March, the Metallic Reserve at Paris fell from 5,600,000*l.* to 2,800,000*l.* On the 15th March more than 400,000*l.* was paid away in Coin; and in the evening of that day there remained in the Bank at Paris only 2,360,000*l.* To-morrow (16th March) the crowd of applicants will be still more considerable; and in a few days the Bank will be entirely drained of specie."

The Report then describes, as follows, the measures adopted by the Provisional Government.

"In the night of the 15th March (1848), on the proposition of the Council General of the Bank, a Decree was prepared. It declared the Notes of the Bank to be legal money, and until further orders it relieved the Bank from the obligation of paying them. But as Notes not exchangeable against specie ran the risk of being discredited, a clause in the Decree confined their emission within definite limits, and fixed 14 Millions sterling (350 millions of francs) as the maximum of the Circulation. It was also ordained that the condition of the Bank should be published every week in the *Moniteur*.

"The Decree also authorised the emission of Notes of 4*l.* (100 fr.) each. The emission of Notes of 2*l.* (50 fr.), and 1*l.* (25 fr.), had been demanded. But such Notes, while they might facilitate payments in small transactions, would only do so at the expense of seriously stimulating the exportation of Coin, at a time when it was necessary to retain in France as much Coin as possible, and to contribute, as far as possible, to its reappearance in Circulation. The Council General of the Bank refused its assent to this proposition."

Such was the origin, and such is the outline, of the Decree of Suspension of 16th March, 1848. It was a measure rendered absolutely necessary by the occurrence of a sudden political convulsion; and it must be admitted that the two clauses in the Decree which provided for a weekly publication of the accounts of the Bank; and for the imposition of a maximum of 14 Millions sterling as the limit of a Circulation which, at the date of the Decree, amounted to nearly 11 Millions; are not the least remarkable of the instances of moderation which marked the policy of Lamartine and the party of Order in the Provisional Government.

The effect of the Suspension was to create for a few days a discredit of the Bank Notes of 40*l.* and 20*l.* each, which were the smallest denominations immediately available; for the 8*l.* and 4*l.* Notes had to be manufactured. The agio on Silver, when given in exchange for the large notes, was about 25 f. per mille, and on Gold as much as 150 f. per mille. The public exhibited considerable im-

patience for the appearance of the issue of the Small Notes authorised by the Decree; and in point of fact the agios just mentioned arose much more from the difficulty of procuring small change than from any real distrust of the solvency of the Bank of France. It is said that there were instances in which the Small Notes commanded even some premium, as affording facilities for transmission so much beyond the facilities afforded by the Silver Coins.

It was, however, part of the scheme of the Suspension to appoint a Commission charged with the duty of supplying coin to those parties who could prove that it was required for the *bonâ fide* payment of the Wages of artisans.

The Suspension was extended to the nine Banques Departmentales at Bordeaux, Rouen, Nantes, Lyons, Marseilles, Havre, Lille, Toulouse, and Orleans; and under Decrees of the 27th April and 2nd May (1848), these Banks were incorporated with the Bank of France, and the conjoint Circulation of the whole was extended to a Maximum of 18 Millions sterling (452 millions of francs).

I have already alluded (page 8., *antè*) to the extraordinary and exceptional measures rendered necessary by the Revolution for relieving the commercial distress which it occasioned. These measures included, as leading features, the establishment of Discount Banks (Comptoirs Nationaux); and Loan Offices (Magasins Généraux).

The Discount Banks accepted bills bearing only two signatures, but fortified by some collateral security. The Loan Offices granted Warrants (récépissés) for amounts representing a certain proportion of the value of goods or merchandise deposited with them.

The Bank of France enabled the *Comptoirs* to extend their operations by re-discounting the Bills taken, in the first instance, by the *Comptoirs* from

the Public. In the course of 1848 the Bank rediscounted, of such paper in Paris, bills to the amount of 3½ Millions sterling, and at the Branches, 5½ Millions. It made advances also, during 1848, on the Warrants of the *Magasins*, to the extent of 2½ Millions sterling.

The Bank also advanced 2 Millions sterling to the Treasury on the 31st March (1848); and a further sum of 1¼ Millions on the 5th May (1848). On the 3rd June (1848), the Bank further engaged to lend 6 Millions sterling to the Treasury — half in 1848, and half in 1849; but of this loan, no more than 2 Millions was actually paid over.

The funds for all these large contributions to the relief of the public exigencies, were obtained from two principal sources; viz., first, from the rapid increase of the Circulation; and, second, from the rapid diminution of the ordinary Discount of Bills bearing three signatures.

Before the close of 1848, the Circulation had risen from 11 Millions sterling to 15 Millions; the Discounts had fallen from 11 Millions to 6 Millions; and the Bullion had increased from 3 Millions to 10 Millions.

And not only did the limitation of transactions, and the rapid substitution of the Small Notes for Coin, contribute to augment the Bullion Reserve of the Bank, but similar aid was furnished by the condition of the external trade of France. The uncertainty and the distress had reduced almost by one half the Importations into France; but the manifold motives operating in favour of realisations of property, had led to an active Export from France; and as the result of the Foreign Trade of France, in 1848, the Balance was at least 11 Millions sterling in favour of that country.

In looking, indeed, at the events in France of 1848, '49, and '50, it is difficult to avoid the conclusion, that if it had not been for the extreme

cheapness of Bread* the country must have been, in a great measure, overwhelmed by the difficulties which fell upon it.

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## SECTION 14.

### *Bank of France.—Progress*, 1848–50.—*Resumption of Cash Payments in August* '50.

In December, 1849, the Circulation of the Bank of France had very nearly reached the prescribed maximum of 18 Millions sterling; and the Metallic Reserve stood almost at the same large amount. The Maximum of the Circulation was then extended to 21 Millions sterling.

On the 6th August, 1850, the National Assembly, on the motion of M. Gouin, one of the most eminent of its members, passed a law authorising an immediate resumption of Cash Payments.

At the date of this law the Circulation was 20

* The Price of Bread in Paris is given as follows for the years 1841–54; the quantity quoted is the kilogramme, equal to $2\frac{1}{8}$ lbs. avoirdupois:—

| Years. | 1st Qual. | 2nd Qual. | Years. | 1st Qual. | 2nd Qual. |
|---|---|---|---|---|---|
| | *c.* *d.* | *c.* *d.* | | *c.* *d.* | *c.* *d.* |
| 1841 | 31 04 | 23 66 | 1848 | 29 04 | 21 83 |
| '42 | 34 16 | 26 41 | '49 | 28 37 | 20 75 |
| '43 | 31 37 | 24 08 | '50 | 26 87 | 19 50 |
| '44 | 34 08 | 26 66 | '51 | 26 95 | 19 50 |
| '45 | 32 75 | 25 33 | '52 | 31 08 | 23 50 |
| '46 | 39 37 | 31 91 | '53 | 38 37 | 30 91 |
| '47 | 49 87 | 42 45 | '54 | 48 50 | 40 91 |

It appears from these figures that, during the four years 1848, '49, '50, and 51, the Price of the Second Quality of Bread in Paris was not more than $3\frac{1}{2}d.$ per (what in London would be called the) Four Pound Loaf.

Millions; the Bullion was 18 Millions; and the Discounts no more than 4½ Millions.

The following statement (G.) will enable us to ascertain, at convenient dates between February 1848, and August, 1850, the progress of four of the most important elements in the condition of the Bank.

(G.) BANK OF FRANCE.—*HEAD OFFICE and BRANCHES*, 1848–50.—*STATEMENT of CHANGES in its CONDITION during the SUSPENSION of CASH PAYMENTS from 15th March*, 1848, *to 6th August*, 1850, *stated in Millions Sterling at 25 f. per £.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| DATES. | CIRCULATION. | | BULLION. | | OVERDUE BILLS. | | DISCOUNTS. | |
| | Paris. | Brnchs. | Paris. | Brnchs. | Paris. | Brnchs. | Paris. | Brnchs. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1848— 6 Apl. | 11·22 | ·60 | 2·14 | 1·74 | ·28 | — | 8·74 | 2·30 |
| „ 26 Oct. | 14·12 | 1·73 | 5·16 | 4·08 | ·57 | ·33 | 2·63 | 4·36 |
| 1849—25 Oct. | 15·11 | 2·44 | 11·20 | 5·13 | ·13 | ·08 | 1·80 | 3·11 |
| 1850— 7 Mch. | 15·70 | 1·84 | 13·43 | 5·61 | ·06 | ·06 | 1·60 | 2·54 |
| „ 4 July | 17·10 | 2·93 | 13·42 | 4·75 | ·02 | ·05 | 1·82 | 2·74 |

We find from this Table (G.), that the increase of the Bullion had been very considerably greater than the increase of the Circulation.

The Circulation had increased by 8 Millions (12 to 20), between February '48 and August '50; but the Bullion had increased by 14 Millions (4 to 18) in the same time.

In other words, not only had all the Coin (8 Millions), replaced by the Small Notes, gone into the vaults of the Bank, and remained there; but there had been the addition of a further sum of 6 Millions obtained, it is reasonable to assume,

from the Balance of Trade in favour of France during the years 1848, '49, and '50.

In an Appendix (XVIII.), I have given a statement of the progress of the Foreign Trade of France during the period 1845–55, and to that statement I desire to refer for details. It will be sufficient to quote here the general results, in the shortest form. For example: —

FRANCE. — *VALUE of EXPORTS and IMPORTS as officially ascertained, 1845–51, stated in Millions Sterling.*

| Year. | Imports. | Exports. | Excess of Imports. | Excess of Exports. |
|---|---|---|---|---|
| | *Mins.* | *Mins.* | *Mins.* | *Mins.* |
| 1845 | 34·2 | 33·9 | 0·3 | — |
| '46 | 36·8 | 34·1 | 2·7 | — |
| '47 | 39·0 | 35·6 | 3·4 | — |
| 1848 | 223· | 33·3 | — | 11·0 |
| '49 | 31·2 | 41·3 | — | 10·1 |
| '50 | 31·2 | 44·9 | — | 13·7 |
| '51 | 29·4 | 50·6 | — | 21·2 |
| | 224·1 | 273·7 | 6·4 | 56·0 |

But beyond the effects arising from a favourable balance of trade, there had been the further beneficial effect, as regarded the condition of the Bank, of a considerable diminution of its Discounts; for it appears that the Discounts, which stood at 7 Millions in October, 1848, had fallen to 4½ Millions in July, 1850.

On every side, therefore, and under the influence of every cause, the financial position of the Bank of France had been receiving continual and large accessions of strength during the whole of the two years and a half of the Suspension; and the truth really is, that, long before August, 1850, Cash Payments might have been safely and easily resumed.

Between the Suspension of 1848–50, in France, and the first two years, 1797–99, of the Suspension of Specie Payments by the Bank of England, there is a very close resemblance. After 1799 the financial condition of the Bank of England was affected by causes to which the experience of France in 1848–50 affords scarcely any analogy.

In 1797, in England, there was not the smallest discredit of the Notes of the Bank of England, and they were as readily accepted by the public in payment of their demands, as were the Notes of the Bank of France, by the French people, in February, 1848. There was also, between 1797–99, so complete a recovery of the Metallic Reserve of the Bank of England, that in the latter year the Directors formally applied to the Government for leave to resume Cash Payments; but, shortly after this application was made, there occurred the necessity for vast Importations of Corn, and for a vast foreign expenditure,—and the prolongation of the suspension became imperative. If similar calamities had overtaken France in 1850, the results would have been precisely the same as they were in this country in 1799; and the resumption of Specie Payments in 1850 would have been impossible.

Comparing, however, the Suspension in France, 1848–50, with the twenty years of the English Suspension, subsequent to 1799, the points of contrast may be stated as follows:—

In France the five causes which principally contributed to render the Suspension successful—or, to employ the more appropriate negative term, to prevent it from entailing great mischiefs — were,—(1) the extreme readiness of the public to exchange their cumbrous silver coin against the Notes of the Bank, expressed in conveniently small amounts; (2) The prevalence during the whole period of a very low price of corn, and therefore the entire absence of any large or sudden import of foreign grain;—

(3) A progressive limitation of transactions operating in the progressive reduction of the advances by way of Discount; — (4) The existence of a large balance in favour of France, as the result of its External Trade; — and (5) lastly, The absence on the part of the Government of any excessive demands for supplies of Bullion, or advances on Treasury obligations.

As regards the English Suspension from 1799—1819, it may be said, with general reference to the whole of those twenty years, that the Bank of England had the advantage of not more than two out of the five favourable influences which operated in relief of the Bank of France: and these two were, the readiness of the English Public to accept the Notes of the Bank of England; and the existence, as regards this country, during a considerable portion of the period of the Suspension of a favourable balance on its Foreign Trade.

But against these two single elements of progress and strength, there were in almost constant operation, at least five powerful causes which prevented any permanent financial recovery.

There was, for example, the large and frequent requirements of Foreign Corn to supply domestic deficiency;—there were also the large and frequent demands of the Government for Bullion for the supply of military chests; — there were demands sometimes more imperative for treasure required for the remittance of Subsidies; — there were frequent occasions when the deficiencies of the revenue laid the Bank under the necessity of becoming a large creditor of the State; — and there were other occasions when the imprudence or the misfortunes of the Trading Classes placed the Bank under a similar necessity of increasing its Discounts.

The Suspension in France of February, 1848, was undoubtedly a measure of financial and poli-

tical prudence. It was rendered necessary by internal disorganisation and panic. It arose in no degree whatever from any previous violent and vicious inflations of Credit; nor from any train of causes which had led to the imposition of inordinate burdens on the money capital of the country.

The remedy of the evil may be said, with perfect truth, to have commenced with the issue of the interdictory Decree.

And the experience of France, between February, 1848, and August, 1850, may be added to the experience of this country in March, 1793, when an issue of Exchequer Bills was authorised but scarcely acted on;—and to its experience in December, 1825, when a fortunate box of 1*l.* notes, which had escaped destruction in 1821, were found to be quite as efficacious as sovereigns in satisfying the claimants on the Bank of England:—in support of the conclusion,—that the maintenance of Cash Payments is not permanently jeopardised by any train of causes, except those which either in their origin or results involve a country in a rate and duration of expenditure disproportionate to the Accumulations and the Incomes of its inhabitants.

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## SECTION 15.

### *Bank of France.—New Constitution of March, 1852.—Progress, 1852–56.*

On the 3rd March, 1852, there appeared in the Moniteur a Report to the Prince President, by M. Bineau, on the Treaty which had been just concluded with the Bank of France;—the text of the Treaty itself;—and a Presidential Decree,

giving to the whole transaction the force of a law.

"According," says M. Bineau, "to a decision "of the date of this day, the Council General "of the Bank of France have reduced to 3 per "cent. per annum the rate of interest and dis- "count. This measure will be favourable at once "to commerce, to the Bank, and to the State. It "will stimulate the spirit of enterprise, and, thanks "to the prudence of the Bank, it will not give "rise to any danger.

"I have also called upon the Bank to consider "two other questions, namely, — the facilities of "credit to be afforded by the Bank to the Shares "of Railway Companies; and the repayment of "the Loan of 3 Millions sterling due to the Bank "by the Treasury.

"Up to the present time, the Bank has not lent "its assistance to the Shares and Bonds (obliga- "tions) issued by Railway Companies. *The "statutes of the Bank have not permitted advances "on such securities, and the Bank has been little "disposed to enter upon so novel a course.*

"It is necessary, however, and for a long pe- "riod it has been your intention, Monseigneur, to "apply powerful facilities of Credit to a class of "securities of which the amount reaches already "a considerable sum. It is necessary also to fur- "nish to these securities the assistance of our "great establishment of Credit, the solidity of "which reposes on half a century of prudence "and of services rendered to the State."

After this preface, the official documents set forth the details of the arrangement under which the Bank undertook to make advances on Railway Shares and Bonds; and to extend into fifteen annual payments of 200,000*l.* each, the repayment by the Treasury of the advance of 3 Millions sterling, repayable, under the original terms, in the

course of the year 1852. The repayment, therefore, was arranged to terminate in 1867; and it was provided that the Charter of the Bank should be extended to the 31st December of the same year (1867). Under the law of the 30th June, 1840, the Charter might be annulled by the State after 31st December, 1855.

At the date (March, 1852) of this important modification of the constitution of the Bank of France, the total Circulation of Notes in Paris and the Branches was 25½ Millions sterling; and the Deposits, Public and Private, were 9 Millions sterling. On the other side of the account, the total Bullion was 24 Millions (or very nearly equal to the whole amount of the Circulation), and the total Discounts were 5 Millions.

The Rate of 3 per cent. was maintained till the 7th October, 1853. It was then raised to 4 per cent., and again raised on the 20th January, 1854, to 5 per cent.

Let us see what were the changes in the condition of the Bank which had taken place between March, 1852, and the compulsory abandonment of the 3 per cent. rate early in October, the following year.

The Circulation had increased about a Million sterling (25½ to 26½), and the Deposits had also increased about a Million (9 to 10).

On the other hand, the Bullion had fallen 9 Millions (24 to 15); the Discounts had risen 10 Millions (5 to 15); the advances on Rentes had risen 1½ Millions (½ to 2); and the advances on Shares (first made in March, 1852) amounted in October, 1853, to nearly 4 Millions.

In January, 1854, a further rise of the rate of discount to 5 per cent. became necessary.

The Circulation at the date of that rise still remained at about 26 Millions, but the Deposits had fallen from 10 to 8 Millions. The Bullion had also

fallen from 15 Millions to under 12 Millions. The Discounts had increased by a further Million (15 to 16); and the advances on Rentes and Shares were still above 5 Millions.

There was then a change in the direction of the tide.

The position of the Bank of France became stronger in the spring of 1854, and on the 12th May ('54) the Rate of Discount was reduced from 5 to 4 per cent. The Bullion had then risen to 16 Millions, but the Discounts and the Advances remained without material diminution.

There was no further change till October, 1855. On the 5th of that month the rate was raised from 4 to 5 per cent.; and on the 19th October, further raised from 5 to 6 per cent., and the échéance of the Bills reduced from 90 to 75 days.

At the date of these strong measures (October, '55), the Circulation still stood at very nearly its former amount of 26 Millions; — but the Deposits had increased to 11 Millions; the Bullion had fallen to 9 Millions; the Discounts had increased to 19 Millions; and the Advances on Rentes and Shares had increased to $6\frac{1}{2}$ Millions.

It will not be necessary to add more than a few words to this outline, but they will convey statements of no small significance.

On the 31st March, 1856, the Bank of France *reduced* its rate from 6 to 5 per cent. The Circulation was then 25 Millions, and the Deposits 8 Millions. But the Bullion stood at $8\frac{1}{2}$ Millions, or lower than at any previous date since 1848; the Discounts had risen to nearly 18 Millions; and the Advances were $5\frac{1}{4}$ Millions.

On the 25th September (1856), the rate was again raised from 5 to 6 per cent.; and on the 6th October ('56), the échéance was reduced from *ninety* to *sixty* days.

But while the Circulation was still (in October,

'56) 25 Millions, and the Deposits nearly 10 Millions; the Bullion had fallen to little more than 6½ Millions; the Discounts had risen to 20½ Millions; and the advances on Shares and Rentes to nearly 6 Millions.

We arrive, therefore, at this general conclusion, as regards the operations of the Bank of France and its Branches during the five years from the close of 1851 to the close of 1856, namely: —

That while the Circulation may be considered to have been practically stationary at 25 Millions sterling; and the Total Deposits to have fluctuated within narrow limits, the medium point of which may be taken as 10 Millions; — the Discounts and the Advances on Rentes and Shares have been very largely increased by reductions effected in the Bullion. At the close of 1851, the Bullion amounted to 25 Millions sterling. In October, 1856, it amounted to 6½ Millions sterling. The difference of 18½ Millions has been absorbed in the five years in raising the Discounts from 5 Millions to 18 Millions; and in extending to 5½ Millions the advances on Rentes and Shares undertaken by the Bank for the first time in obedience to its Charter of March, 1852.

We shall be able, however, to trace the several changes in the condition of the Bank of France between the close of 1848 and the close of 1856, by means of the following statement, in which, as the most convenient form of exhibiting the facts, the same date (early in October) is selected for each of the nine years.

It is not necessary to include in the following statement the whole of the items composing the liabilities and assets of the Bank of France. The important object, in truth, is rather to select those principal elements which indicate the fundamental changes in the condition of the institution.

(H.) BANK OF FRANCE — *Head Office and Branches,* 1848–51 *and* 1852–56. — *STATEMENT of CHANGES in its Condition PRIOR to and SUBSEQUENT to the COUP D'ETAT of December,* 1851.

(I.) LIABILITIES (PASSIF).

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| DATES. | CIRCULATION. | | | CURRENT ACCOUNTS. (Deposits.) | | | | TOTAL LIABILITIES. |
| | Paris. | Brnchs. | TOTAL. | Treasury. | Paris. | Brnchs. | TOTAL. | |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1848—12 Oct. | 13·73 | 1·86 | 15·60 | ·67 | 3·04 | ·96 | 4·67 | 25·30 |
| '49— 4 „ | 15·10 | 2·30 | 17·40 | 2·08 | 3·41 | 1·15 | 6·65 | 29·50 |
| '50— 3 „ | 16·66 | 3·02 | 19·68 | 2·27 | 2·85 | 1·05 | 6·17 | 30·94 |
| '51— 4 „ | 16·73 | 4·67 | 21·40 | 3·65 | 4·72 | 1·25 | 9·62 | 36·44 |
| 1852—11 Oct. | 19·26 | 6·16 | 25·42 | 4·80 | 4·60 | 1·02 | 10·40 | 41·09 |
| '53—13 „ | 20·10 | 6·30 | 26·38 | 2·23 | 6·53 | 1·40 | 10·16 | 41·94 |
| '54—12 „ | 19·45 | 5·60 | 25·06 | 1·81 | 4·50 | 1·12 | 7·44 | 38·30 |
| '55—11 „ | 21·50 | 4·50 | 26·00 | 4·07 | 5·80 | 1·22 | 11·10 | 42·46 |
| '56— 9 „ | 22·08 | 2·76 | 24·84 | 4·06 | 4·80 | ·94 | 9·80 | 40·28 |

(II.) ASSETS (ACTIF).

| 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |
|---|---|---|---|---|---|---|---|---|---|
| DATES. | BULLION. | | DISCOUNTS. | | ADVANCES ON PUBLIC STOCKS. | | ADVANCES ON SHARES. | | TOTAL ASSETS. |
| | Paris. | Brnchs. | Paris. | Brnchs. | Paris. | Brnchs. | Paris. | Brnchs. | |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1848—12 Oct. | 5·10 | 4·07 | ·28 | 4·46 | 1·36 | ·06 | – | – | 25·30 |
| '49— 4 „ | 10·65 | 5·51 | 1·73 | 3·14 | ·81 | ·05 | – | – | 29·50 |
| '50— 3 „ | 13·44 | 4·44 | 1·90 | 3·21 | ·63 | ·09 | – | – | 30·94 |
| '51— 4 „ | 19·93 | 5·10 | 1·40 | 2·50 | ·33 | ·13 | – | – | 36·44 |
| 1852—11 Oct. | 19·80 | 3·63 | 4·00 | 4·58 | 1·17 | ·33 | 1·13 | ·35 | 41·09 |
| '53—13 „ | 11·10 | 4·11 | 7·45 | 7·73 | 1·38 | ·49 | 2·86 | ·91 | 41·94 |
| '54—12 „ | 13·04 | 6·04 | 4·42 | 5·80 | ·84 | ·24 | 1·71 | ·58 | 38·30 |
| '55—11 „ | 4·47 | 4·83 | 10·00 | 9·32 | 1·82 | ·41 | 3·13 | 1·05 | 42·46 |
| '56— 9 „ | 3·08 | 3·60 | 10·88 | 9·60 | 3·04 | ·48 | 1·52 | ·70 | 40·28 |

NOTE.—The four figures at *unit* end are omitted: thus, ·67 represents 670,000*l.*, and ·06 represents 60,000*l.*

## SECTION 16.

### *Nature and Extent of the Discount Business of the Bank of France and its Branches*, 1848–55.

But, in addition to the insight afforded by the last table (H.) into the operations of the Bank of France since 1848, we may still further assist our estimate of the extension of facilities of credit in France since 1851, by framing a continuation of the two tables (E.) and (F.), in which (pp. 51–2., *antè*) we have already presented a statement entitled to considerable attention, as regards the Total amount of Bills of Exchange in Circulation at one time, and under Discount at one time, during the three years 1845, '46, and '47.

In the two following Tables (I.) and (K.) all the details, given in the Reports of the Bank of France, relative to the extent and character of its Discount operations during each year subsequent to 1847, have been reduced into an uniform shape, distinguishing the operations at Paris from the operations at the Branches.

Subsequent to 1851 the returns become exceedingly imperfect, as compared with the preceding years; and for the last three years in each statement, viz. 1853, '54, and '55, the only information given is the total amount of the Discount transactions of the year.

Still the information is exceedingly interesting and curious; and even in those years when we are not put in possession of any facts beyond the Total amount of the Bills Discounted during the year, we are able to draw some important inference by the aid of the fuller information in our possession with reference to preceding years.

(I.) BANK OF FRANCE. — *HEAD OFFICE, PARIS.—DISCOUNTS, 1848–55. — DETAILS as far as given.*

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| YEAR. | TOTAL DISCOUNTS. | | | | Average Amount under Discount at one Time. |
| | Bills. | Total Amount. | Average Amount per Bill. | Average Usance. | |
| | No. | Mlns. £ | £ s. | Days. | Mlns. £ |
| 1848 | 527,000 | 27·70 | 52 10 | 54 | 4·00 |
| '49 | 215,000 | 10·24 | 47 12 | 45 | 1·28 |
| '50 | – | 13·60 | 39 12 | 39 | 1·51 |
| '51 | 414,000 | 14·40 | 34 16 | 37 | 1·60 |
| '52 | – | 24·32 | 38 18 | – | – |
| '53 | – | 38·08 | – | – | – |
| '54 | – | 41·36 | – | – | – |
| '55 | – | 60·00 | – | – | – |

NOTE. —The explanatory note to the Tables (E.) and (F.) similar to the above at page *antè*, may be referred to for the details of the preceding figures.

It would appear from these figures, that the Average Amount of 50*l.* per Bill, in the case of the Paris discounts, as shown by Table (E.), page 51., *antè*, to have been the average during 1845, '46, and '47, underwent a considerable progressive reduction; and, that in 1851, the average amount of each Parisian Bill was not so much as 35*l.*

In like manner the Average Usance of 50 days, in 1845–47, had been reduced to 37 days in 1851; and so contracted had become all dealings, that the amount of 7,000,000*l.* constantly under discount in 1845–47, had fallen to 1,600,000*l.* in 1851.

The next Table (K.) relates to the Branches of the Bank of France during the period commencing with 1848, when the Branches of the old Foundation had been increased by the amalgamation of the nine Banques Départementales.

(K.) BANK OF FRANCE. — *BRANCHES of the NEW FOUNDATION (i. e. after the Amalgamation, in May, 1848, with the Nine Banques Departmentales). — DETAILS of BILLS Discounted, 1849–55, as far as given.*

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| YEAR. | Bills Discounted. | Total Amount of Bills. | Average Amount per Bill. | Average Usance. | Average Amount under Discount at One Time. |
| | No. | Mlns. £ | £ | Days. | Mlns. £ |
| 1848 | – | – | – | – | – |
| '49 | – | 30·72 | – | 45 | 3·84 |
| '50 | 460,000 | 33·40 | 73 | 36 | 3·34 |
| '51 | 554,000 | 35·24 | 64 | 30 | 3·90 |
| '52 | 644,000 | 40·64 | 63 | – | – |
| '53 | – | 74·00 | – | – | – |
| '54 | – | 76·40 | – | – | – |
| '55 | – | 90 00 | – | – | – |

NOTE. — See explanatory note to Tables (E.) and (F.) at pages 51. and 52., *antè*.

The information available for this Table, which represents the Discount Business of the Branches, is by no means so full as with reference to the Central Bank. It would appear, however, that the average usance, which stood at 62 days in 1845–47 (see page 53., *antè*), had been reduced to 30 days in 1851, or by more than one half. The size of the Bills had not undergone any alteration.

But in both these Tables (I.) and (K.) there is no difficulty whatever in discovering, at a glance, the enormous increase in the Circulation of Bills of Exchange; and in the Discount of Bills of Exchange; when we compare the year 1855 with the year 1851.

At Paris the increase in the discounts of the Bank of France has been fourfold (14 Millions to 60 Millions). At the Branches it has been nearly

threefold (35 Millions to 90 Millions). And applying the best data which are available, we may conclude, with extreme probability, that in 1855 the following statement will fairly represent the facts, viz:—

| Average Annual Total Discount. | | During 1855 at | | Average Amount under Discount at one Time. |
|---|---|---|---|---|
| £ | | | | £ |
| 60,000,000 | - | Paris | - | 9,000,000 |
| 90,000,000 | - | Branches | - | 13,000,000 |
| 150,000,000 | | | | 22,000,000 |

And, extending the generalisation, we may infer, that in 1855 the Total Bill Circulation of France (that is, the total amount of Bills in Circulation at one time) was 40 Millions sterling; or an increase of *seventeen* Millions over 1845–7.;—and further, that the total amount of Bills under discount at the Bank of France and its Branches, and elsewhere, was 30 Millions sterling, or an increase of *twelve* Millions over 1845–7.

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## SECTION 17.

### *Operations of the Comptoirs Nationaux, in Paris,* 1848–56.

There is still another link to be added to the chain of evidence I have endeavoured to construct, relative to the expansion of credit in France since 1851; and as it relates to the operations of the *Comptoirs Nationaux*, or Discount Banks, originally set on foot in March, 1848, it is a link of some importance.

I have already explained (page 8., *antè*), that the leading object in opening these *Comptoirs* in Paris and the large towns, was to extend advances and discounts to traders and shopkeepers unable to obtain the three signatures required by the Bank of France. In addition to the central *Comptoirs* there were six or seven *Sous-Comptoirs*, appropriated to as many special trades. There were, for example, a Sous-Comptoir "de la Librairie," "des "Metaux," "des Bâtiments," "des Denrées Colo- "niales," and several others. The Central *Comptoirs* divided their discounts into three classes, namely, (1) Bills with *two* signatures; (2) Bills with one signature and a certificate of the deposit of goods; (3) Bills with two signatures, and the guarantee of a Sous-Comptoir in the neighbourhood of which the borrower was known.

With this explanation the following Table (L.) of the operations of the *Comptoir National* at Paris, and its Sous-Comptoirs, will be intelligible; and it is also interesting, as exhibiting the actual steps by which a great community gradually extricated itself from sudden and extreme financial peril.

The figures about to be given relate only to *Paris*. There are no available means for ascertaining with equal fulness of detail, the extent and character of the business transacted by the *Comptoirs Nationaux* established in the several large towns.

I state in a note to the Table the extensions which took place in 1854, in the sphere of operations originally prescribed to the Paris *Comptoir*.

(L.) *OPERATIONS of the "COMPTOIR NATIONAL D'ESCOMPTE DE PARIS" (founded by Decree of the Provisional Government, 10th March, 1848, and commenced Operations 18th March, 1848) during the Years 1848 to 30th June, 1856.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| Years ended 30th June. | With *Two* Signatures. | | | With *One* Signature and Certificate of Deposit of Goods. | | | With Two Signatures and Guarantee of Sous-Comptoir. | | |
| | Bills. | Total Amount | Average Amount p. Bill. | Bills. | Total Amount | Average Amount p. Bill. | Bills. | Total Amount | Average Amount p. Bill. |
| | No. | Mlns. £ | £ s. | No. | Mlns. £ | £ s. | No. | Mlns. £ | £ s. |
| 1848 | 119,000 | 3·73 | 31 3 | 2014 | 0·27 | 13 8 | 1020 | ·25 | 24 5 |
| 1848–9 | 120,000 | 2·95 | 24 5 | 2061 | ·27 | 13 8 | 2450 | ·71 | 30 – |
| '49–50 | 154,000 | 3·70 | 24 – | 2000 | ·39 | 20 – | 2700 | 1·03 | 45 5 |
| '50–1 | 208,000 | 5·50 | 26 4 | 1250 | ·39 | 31 2 | 5380 | 1·70 | 31 – |
| '51–2 | 267,000 | 6·70 | 26 – | 1046 | ·26 | 25 – | 6420 | 2 56 | 40 – |
| '52–3 | 445,000 | 11·20 | 25 – | 1200 | ·32 | 26 6 | 12,160 | 5·95 | 50 – |
| '53–4 | 643,000 | 16·00 | 24 9 | 1540 | ·60 | 39 – | 14,340 | 5 12 | 35 – |
| '54–5 | 690,000 | 24·00 | 34 8 | – | – | – | – | – | – |
| '55–6 | – | 29·40 | – | – | – | – | – | – | – |

NOTE.—In Cols. 3. 6. and 9., the *four* figures at the *unit* end are omitted: thus, 3·73 represents 3,730,000*l.*, and 0·27 represents 270,000*l.* In other words, the amounts are stated in Millions Sterling and Decimals.

The first period, 1848, extends only from 18th March, 1848, to 31st August, 1848—say 5½ months. The period 1848-9 extends from 1st September, 1848, to 30th June, 1849—say 10 months. In all the subsequent periods the return extends from 1st July to 30th June.

After 30th June, 1854, the returns of the Comptoir do not enter into details; and the 29 millions of discounts in 1855-6 most probably embraced all three classes.

But, in the course of 1854, the *Comptoir* was empowered to make advances on "Rentes Françaises, les actions et obligations d'Entreprises Industrielles ou de Credit constituées en Sociétés anonymes;" and in 1854–5 the advances on these securities amounted to 940,000*l.*; and in 1855–6 to 1,216,000*l.*

In addition to these advances, there has been, since 1851, in connection with the Paris *Comptoir*, a *Sous-Comptoir de Chemins de Fer*, the business of which consisted wholly in making advances on Railway Shares. In the year ended 30th June, 1851, the advances of this *Sous-Comptoir* amounted to 520,000*l.*; in 1851–2 to 1,240,000*l.*; in 1852–3 to 4,560,000*l.*; and in 1853–4 to 3,600,000*l.*;—the advances in 1852–3 amounting, apparently, to nine times the advances of 1851.

The only branch of the business of the Paris *Comptoir* which showed any marked signs of progress, between 1848 and 1851, was the third branch,—that is, the discounts with two signatures and the guarantee of the *Sous-Comptoirs;* and there the increase was about twofold. The advances on the mere deposit of goods became gradually less after 1848; but the small amount (13*l.*) of the individual advances in 1848 and 1849 is very suggestive of the difficulties of that time. The discounts, also, with two signatures, did not materially increase till after 1851.

But if we compare the year 1851–2 (ended 30th June) with 1855–6, the total increase of business is more than threefold (10 Millions to 30 Millions); and we must not overlook the significant fact, that the *Sous-Comptoir* for Railways advanced in 1852–3 not less than 4½ Millions sterling on Railway Shares;—in other words, carried on, to the extent of 4½ Millions, the same description of business which was undertaken by the Scotch Exchange Banks in 1846–7, and led to consequences so pernicious.

We arrive, then, at this further conclusion, with reference to the five years 1852–56, namely:—

That not only was there a large extension of the Discounts and Advances of the Bank of France; but there was also introduced through the medium of the *Comptoirs Nationaux,* as administered by their head offices and branches, new and extensive facilities for the discount of bills of exchange of very small amount, and of a character not admissible by the Bank of France;—for advances on Goods deposited as security;—and for advances on Railway Shares, and on Shares in public companies: and that, generally, the effect of these and similar measures was to stimulate, in a powerful manner, transactions on credit in France,—one principal indication of this result being the increase, by 80

per cent. (23 Millions to 40 Millions) of the Bill Circulation of France, when we compare 1855 with 1845–7.

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## SECTION 18.

### *Extent of the Metallic Circulation of France in* 1849.

We have now traced with some care the causes affecting the position of the Bank of France from 1848 to 1856; and we have endeavoured to estimate, by means of authentic evidence, the extent and influence of the measures set on foot for the purpose of extending in France the sphere of Credit.

Before we endeavour to complete the survey, by bringing under consideration the peculiar policy adopted by the Bank of France in 1855 and 1856, for the purpose of maintaining its Bullion Reserve, — and further the career and influence of the great association called the Credit Mobilier, — it will be necessary to refer to those special circumstances connected with the Mint regulations of France, which, since 1849, have led to a continuous drain from France of its Silver Coin, and to the substitution of a Gold Currency.

In an Appendix (XXI.) I have considered the more technical portions of the question relating to the French Coinage; and to the disturbance of the usual pars of exchange between France and this country, in consequence of the rise of two or three per cent. of the price of Standard Silver in London; and to that Appendix, therefore, I may refer for the details.

I need only say in this place, that, by virtue of a Law passed in 1805, the legal relative value of

Gold to Silver in France is fixed at the proportion of $15\frac{1}{2}$ to 1; and, allowing for the necessary alloy, the French Coinage is conducted scrupulously on this basis of relative values.

Coins of both metals are a legal tender; and, prior to 1849–50, the great mass of the metallic circulation of France was composed of Silver Coins; not because the law so required, but because it appeared as the result of perfect liberty of dealing that *Silver* was the cheaper metal of the two; and that debtors could discharge the claims upon them at less cost by tendering silver than by tendering gold. In other words, the proportion of $15\frac{1}{2}$ to 1, established in 1805, had for a long period prior to 1849–50 operated as an *under-valuation* of Gold; and it is probable that the true relative value of the metals might have been more accurately expressed by the formula $15\frac{3}{4}$ to 1. The practical result was, that Silver only was sent to the mint to be coined, and constituted almost the exclusive medium of Circulation; and that Gold bore an agio.

Now the quantity of Silver Coin in use in France has been at all times very large; and about 1849–50 it was probably higher in amount than at any former period. It becomes important, therefore, to arrive at some approximate conclusions relative to the mass of silver coin which, during the last six years, has been continuously reduced by exportations from France; and the highest authority and the most recent to which we can refer is M. Michel Chevalier. I quote from his work "La Monnaie," published in 1850. He says:—

"As regards France, the quantity of Coined Money was estimated by Necker, in 1784, at 88 Millions sterling; by Arnould, in 1791, at 80 millions sterling; by Peuchet and Gerboux, in 1805, at 102 millions sterling.

"In April, 1847, a debate took place on this subject in the

Chamber of Deputies between M. Benoist Fould, who is versed in all financial questions, and M. Poisat, whose eminence as a refiner is known to all the world, and who, by long cultivation of that pursuit, has been led to study, in all their aspects, questions relating to the precious metals. These two authorities produced valuations very different as to the quantity of Coin remaining in France. According to M. Fould the amount was not more than 68 millions sterling. M. Poisat considered the amount to be much greater. Including Gold and Silver Coins of all sizes, M. Poisat's estimate was 88 millions sterling.

"The estimates most frequently employed by persons who investigate these subjects, place the quantity of Coin circulating in France between 100 millions and 120 millions sterling; but comprising in these sums the Metallic Reserves of the Banks.

"Of these two amounts the first (100 millions) has the largest number of adherents. M. Moreau de Jonnés in his Statistique de la Grande Bretagne, published in 1837, proposed 114 millions. MM. Dumas and de Colmont adopt 120 millions sterling, of which less than 4 millions sterling they consider is *Gold*—leaving 116 millions of silver. On the other hand, M. Thiers, in a speech delivered in 1848, did not estimate the amount at more than 80 millions sterling." (Sec. vii. chap. iii.)

Amidst these conflicting authorities it is probable that we shall not depart very widely from the truth if we assume that the quantity of Coin in use in France early in 1849 was 100 Millions sterling in *Silver*, and 3 Millions sterling in *Gold*.

I have already explained in a preceding section (Part II. sec. 4.—IV. 253–5.) that among the earliest of the causes which led to an export of Silver Coin from France was the rejection of Gold from the circulation of Holland, in pursuance of the law voted in June, 1849, and carried into execution by Royal Command as from the date of 23rd June, 1850; that is to say, that the Gold Coins of five and ten florins ceased to be a legal tender after the 23rd June, 1850.

The amount of Gold Coin in Holland at the date of carrying this measure into force is stated by M. Leon Faucher, in his paper in the "Revue des Deux Mondes," for August, 1852, to have been $14\frac{1}{3}$ Millions sterling; and he ac-

cuses the Dutch Minister of Finance, M. Van Hall, of imperfect information and imperfect arrangements, inasmuch as all the ministerial calculations of the effects of the demonetisation had proceeded on the assumption that the quantity of Gold Coin to be affected by it was no more than 8 Millions sterling.

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## SECTION 19.

### *Changes produced in the Metallic Circulation of France*, 1850–56.

The effect of the Dutch demonetisation was to produce an influx of Gold Coin into France, and to reduce the premium on Gold at Paris from 9 per mille in July, 1850, to *par* in December, 1850.

During the greater part of 1851 the quotation of Gold at Paris did not even remain at par, but fell to 4 or 5 per mille discount. The course of the quotations, month by month, will be found in Appendix (XXI.).

With 1852 commenced the extensive demand, in this country, for Silver, as an article of remittance to India and China; and from that year to the close of 1856, the price of Gold at Paris, as measured in Silver, has been generally below par. The exceptional periods have been those when the Bank of France has been a buyer of Gold at a factitious premium.

The French Mint has been over-burdened with the accumulations of Gold Bullion presented for Coinage; and the general result in 1855 and 1856 has been, that the relative proportions of the two metals in the French Coinage, have, in a great

measure, been reversed,—that Silver has been withdrawn, and that Gold has taken its place.

This result may be traced very clearly in the proportions of the two metals existing in the Cash Reserve of the Bank of France on the last day of each of the seven years 1849–55, according to a return quoted in the Economist of 12th January, 1856. Thus:—

(M.) *COMPONENT PARTS of the CASH RESERVE of the BANK of FRANCE on the LAST DAY* (31*st Dec.*) *of each of the SEVEN YEARS*, 1849–56, *stated in MILLIONS STERLING.*

| 31st Dec. | Gold. Mlns. Sterl. | Silver. Mlns. Sterl. | Total. Mlns. Sterl. |
|---|---|---|---|
| 1849 | 0·16 | 17·17 | 17·33 |
| '50 | 0·48 | 17·87 | 18·35 |
| '51 | 3·29 | 19·45 | 22·74 |
| '52 | 2·75 | 17·39 | 20·15 |
| 1853 | 4·14 | 8·58 | 12·72 |
| '54 | 7·73 | 7·94 | 15·68 |
| '55 | 4·50 | 3·50 | 8·00 |

The *four* figures at *unit* end are omitted: thus, 0·16 represents 160,000*l.*

The diminution in the reserve of Silver, subsequent to 1852, and the increase in the proportion of Gold, are very striking.

A further return of the Exports and Imports of Gold and Silver into France, during the period 1831 to 1855, compiled by the French Custom House authorities, will enable us to trace still more closely, in the following Table (N.), the operations of the causes now under consideration.

It is convenient to divide the following statement into two parts,—namely, to include in the first part the twenty years 1831–50; and to include in the second part the years 1851–55, giving the figures for *each* of the three years 1853, '54, and '55.

(N.) FRANCE. — *IMPORTS and EXPORTS of GOLD and SILVER, as stated in the OFFICIAL RETURNS of the FRENCH CUSTOM HOUSE for — (1) The Twenty Years* 1831–50; — *(2) For the Two Years 1851 and 52; — and (3), For each of the Three Years,* 1853, 54, *and* 55 — *stated in Millions Sterling, at 25 f. per £.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| GOLD. | | | PERIODS. | SILVER. | | | |
| *Imports.* | EXPORTS. | *Excess of Imports.* | | EXCESS OF *Imprts.* | EXCESS OF Exports. | EXPORTS. | *Imports.* |
| Mlns. £ | Mlns. £ | Mlns. £ | Twenty Years, 1831—1850. | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 67·20 | 31·60 | 35·60 | TOTALS. | 73·00 | — | 73·40 | 146·40 |
| 3·36 | 1·58 | 1·78 | Annual average. | ·3·65 | | 3·67 | 7·32 |
| 7·60 | 2·80 | 4·80 | 1851 & 1852 | — | 1·50 | 16·00 | 14·50 |
| 12·70 | 1·50 | 11·20 | 1853 | — | 4·60 | 9·10 | 4·50 |
| 19·20 | 2·50 | 16·70 | '54 | — | 6·60 | 10·50 | 3·90 |
| 15·20 | 6·50 | 8·70 | '55 | — | 7·90 | 12·70 | 4·80 |
| 54·70 | 13·30 | 41·40 | TOTALS. 1851—55. | — | 20·60 | 48·30 | 27·70 |

NOTE. — The four figures at the *unit* end are omitted: thus, 35·60 represents 35,600,000*l.*

It appears from this Table, that in the twenty years 1831–50, the *excess* of the Imports of *Silver* into France over the Exports was as much as 73 Millions sterling; or more than 3½ Millions sterling per annum, on the average of the twenty years.

A considerable portion of this annual influx of Silver would be required to replace the wear and tear on the enormous mass of 100 Millions sterling of Silver Coin in use in France; and it becomes

important to ascertain how much of the annual influx was absorbed by mere replacement.

The twenty-third chapter of Mr. Jacob's second volume (Precious Metals, II. 168—191.) is devoted to a consideration of the evidence then available for estimating the rate per cent. per annum of the loss, by wear, on Gold and Silver Coins.

After stating that some experiments at the Mint seemed to indicate a rate of loss in the English Silver Coins of about half (ten shillings) per cent. per annum, Mr. Jacob says:—

"Practical men, to whom the subject of the loss on the metals has been one of much consideration, from being of importance in their several branches of the Gold, Silver, and Jewellery manufactures, commonly calculate a much greater degree of loss on Silver than is shown by these experiments.

"One gentleman of great accuracy and acuteness, and much conversant in the application of those metals in his manufactory, communicates his opinion thus:—'The loss on *Coined Silver* is 'full one hundredth part, *or one per cent. per annum.* If one hun-'dred pieces of 1815 and 1816 and upwards to the last date on 'the Silver Coin be examined, it will give this result.' * * On Silver, as on Gold Coins, the rate of loss will increase in the same proportion as the fineness of the Silver in the pieces is diminished; and the loss will be further increased as the size and weight of the pieces (as is the case with the Continental Coin) is less." (Jacob, II. 186.)

We may assume, therefore, with some considerable plausibility, that not less than 1 Million sterling of Silver per annum would be required to replace the wear of Silver Coin, in France, during the twenty years 1831–50. The further 2½ Millions sterling of Silver imported were absorbed, it is presumed, in the arts, and probably in additions to the coinage beyond the replacement of wear.

The average annual absorption of *Gold* seems to have been 1¾ Millions sterling; and as the quantity of Gold Coin in France was very limited, nearly the whole of the 1¾ Millions may be supposed to

have been required for various purposes of manufacture.

After 1850, we find that France ceased to be an *importing* country, as regards *Silver;* and that the excess of *exports* during the five years 1851–55, was 20½ Millions sterling.

We must not omit, however, to notice that the replacement of Silver by Gold, in the French currency, will have the effect of diminishing the yearly absorption of Silver by at least the annual million required, down to 1850, to replace the loss arising from wear and abrasion.

We must also remember that it is not probable that the Custom House Returns exhibit the *whole* of the trade in the precious metals; although there is no reason to suppose that they do not accurately indicate its general results and character.

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## SECTION 20.

### *System pursued by the Bank of France, in* 1855–6, *for the Purpose of procuring temporary artificial Additions to its Bullion Reserve.*

We have traced in a former section the measures of restriction to which the Bank of France found itself compelled to resort in the latter months of 1855, and again in the Autumn of 1856.

In October, 1855, the Total Bullion in the Bank of France and its branches had fallen to less than 10 Millions sterling, having stood at 17½ Millions in the preceding April (1855).

In October, 1856, the Bullion had fallen to less than 7 Millions sterling.

In 1855, the drain of specie to the Seat of War was a special source of embarrassment; and there was also the failure of the Harvest in France.

In 1856, the special causes of the drain of the

precious metals from France were not so obvious; for the demand for the French Silver Coin resolved itself into a process of merely substituting one metallic medium for another. It is perfectly intelligible that the balance of payments should have become highly unfavourable to France, in consequence of the excessive expenditure in that country on railways and public works; and also in consequence of extravagant private expenditure by the large classes of persons engaged in speculation in stocks and shares.

But the measures adopted by the Bank of France at the close of 1855, and repeated at the close of 1856, to replenish their Bullion, were of a nature so novel, and excited so much attention, that it is necessary to refer to them.

In October, 1855, it transpired that the Bank of France had entered into a contract for the payment of a considerable premium on the delivery into its vaults of an amount of Gold Coin and Bullion, at first said to be equal to about 1½ Millions sterling, but ultimately ascertained to be equal to about 4 Millions sterling. The operation was wholly artificial, and its single purpose seems to have been the replenishment for a few weeks of the specie reserve in Paris.

The first step of the contractors was, of course, to buy up, in the different cities of the Continent, nearly all the bills of short usance drawn upon London, — to send those bills for collection in London, — and to instruct their correspondents here to remit the proceeds in Gold Coin or Bullion to Paris. The next step was to buy up considerable parcels of long-dated bills drawn on London, — to present those bills for discount at the Bank of England or in Lombard Street,—and carry the proceeds to Paris in the form of Bullion.

But to both these operations there was a natural and speedy limit.

This country could not be called upon to pay debts

which it did not owe. Both the quantity of short bills which could be procured, and the quantity of long bills available for discount, were soon exhausted. Moreover, the proceeding excited notice; and the Directors of the Bank of England were not backward in protecting their own establishment, not merely by raising the rate of discount in order to render the Paris operation more costly; but also by adopting other precautions against the class of bills known or believed to be employed as a means of artificially withdrawing gold to the Bank of France.

The real effect, therefore, of this new and expensive device for postponing, by unnatural means, the efflux of treasure from France was, simply, that England was called upon to pay in Gold, a few weeks earlier than usual, a considerable portion of the bills drawn upon it from the Continent; and that the amount of these payments was specially carried over as bullion to the Bank of France, but remained there for only a short time, because the inevitable operation of the commercial balance between the two countries again drew from the reserves of the Bank of France accumulations of Gold and Silver necessary to pay for the excess of imports over exports.

The cost to the Bank of France in the form of premiums was, in 1855, probably, not far short of 200,000*l.**

* By examining the published accounts of the Bank of France, there seems to be evidence which justifies the following statement; premising that it is probable that the premium paid by the Bank on the Gold artificially purchased by it, was $1\frac{1}{2}$ per ct.

| Period. | Dates. | Premiums paid. | Gold purchased at Rate of $1\frac{1}{2}$ pm. |
|---|---|---|---|
| | | £ | £ |
| 6 mos. | — 1855, 1 July to 31 Dec. | - 160,000 | - 10,660,000 |
| 6 „ | 1856, 1 Jan. „ 30 June | - 120,000 | - 8,000,000 |
| $3\frac{1}{3}$ „ | „ 1 July „ 11 Sep. | - 60,000 | - 4,000,000 |
| 1 „ | „ 11 Sep. „ 9 Oct. | - 25,000 | - 1,700,000 |
| 2 „ | „ 9 Oct. „ 11 Dec. | - 45,000 | - 3,000,000 |
| $18\frac{1}{3}$ | | 410,000 | 27,360,000 |

So long as this scheme is confined to the peculiarly barren process of paying heavily for the colourable possession for a few weeks of sundry parcels of gold bullion, the only parties who can really suffer will be those who bear the costs and charges. If the plan was to proceed to any greater length, and to involve arrangements for obtaining gold by the sale in London of French securities, the disturbance would be of a more serious character. The operation would amount to the negotiation of a Loan abroad; and to the imposition of a special clause in the contract that all the remittances by the subscribers should be in bullion. But, even under such circumstances, the real disturbance in London and the other foreign markets resorted to would be comparatively trifling; and the failure on the part of France to obtain any permanent relief would only be the more conspicuous and the more costly.

In 1856 the policy of 1855, as regards these purchases of Gold, has been carried to a still larger extent.

For the six months ended on the 30th June ('56), the outlay for premiums amounted to about 120,000*l.*; for the four months to the end of October ('56), they amounted to about 150,000*l.* more.

This system was worked with great vigour during September ('56); and it was, in some measure,

Now what was the real effect produced by these vast purchases on the actual cash reserve of the Bank of France? — Between July and December, 1855, the Reserve *fell* 5 Millions (13 to 8), notwithstanding the expenditure of the 160,000*l.* in premiums. Between January and June, 1856, the Reserve did not vary materially; but 120,000*l.* had been further spent in purchasing 8,000,000*l.* Between July and October, 1856, the Reserve fell 2 Millions, and 85,000*l.* had been spent. Between October and December, 1856, the Reserve rose 1 Million; but 45,000*l.* had been spent, and 3 Millions of Gold artificially brought into the Bank. In this country we have a proverb which signalises the folly of those who expect a sieve to hold water.

with the view of counteracting it, that the Bank of England raised its rate from 4½ to 5 per cent., on Wednesday (a special day), the 1st October ('56); and further raised it to 6 per cent., on Monday, the 6th October ('56).

The return of the Bank of France, of the date of the 9th October, '56, exhibited the Total Bullion as reduced to little more than 6½ Millions sterling; and it was well known, that but for the lavish outlay, in obtaining gold by artificial means, the amount would have been very much smaller.

Reports were confidently circulated of the contemplation, by the French Government, of extreme financial measures. It was said, that the scheme of a suspension of specie payments was favourably entertained, and that, as an intermediate step, it was determined, in the event of the pressure proceeding, to issue small notes of the Bank of France, of 20 francs each. Apprehensions were certainly entertained in London, that recourse would be had, by the French Government, to highly exceptionable means, and the exchanges were sensibly affected.*

To arrest these unfavourable impressions, it was considered necessary to insert in the Moniteur, of the 7th October ('56), a lengthy official paper, by M. Magne, the Minister of Finance. In that Paper some degree of ridicule was cast upon those who attributed the difficulties of the French Money Market to anything more serious than temporary and superficial causes. "The embarrassment," said M. Magne, "does not arise from any fundamental

* The report of the business in the Royal Exchange on Friday, the 10th October, 1856, says: — "The Foreign Exchange this afternoon again presented a very unsettled appearance, especially as regards Bills on Paris. The rates are very irregular, and *three months Bills* on that City were almost unsaleable, owing to the distrust with which the position of monetary affairs in France is regarded, and the uncertainty as to what new measures may be adopted by the Government."

"vice, but from transient causes. * * We shall "not find any evidence opposed to this view in the "momentary depreciation of the public securities. "* * The giving way in the prices of our secu- "rities does not proceed, either from want of con- "fidence, or a diminution of capital in France, or "any defect in the solidity of the shares them- "selves; but solely from the multiplication of the "schemes. * * The existing securities (shares) "have their bases solidly secured, and are, in "general, founded upon *bonâ fide* productive en- "terprises; and the elasticity of credit has been "entirely maintained."

Holding these views, the Government were prepared to visit with punishment all who circulated alarming reports, and resorted to sinister practices; and among these offenders M. Magne assigned the first place to the merchants and others who were engaged in the *exportation of specie* from France. We may very properly preserve this passage:—

"The exportation of specie," says M. Magne, "has been spoken of. A succession of bad har- "vests, the purchase of silks abroad, and other "legitimate causes, have doubtless had their in- "fluence on the exportation of our Coinage. Silver "in particular has become an object of a traffic "which makes the public uneasy, and which con- "sists in selecting the finest pieces of Coin, and "withdrawing them from the currency, for their sur- "plus value. *This practice, the tendency of which "is to destroy the general equilibrium of our monetary "system, was, under the old law, regarded as an act "of debasement of the Coin of the realm, and pun- "ished with severest penalties. Modern legislation "cannot be powerless against such an abuse, which "has nothing in common with the undisputed prin- "ciple of commercial liberty. The attention of the "Emperor's Government is very properly directed to "this evil.*"

It is certainly somewhat humiliating, that a passage of this character should be solemnly published to all the world by the official representative of the French Nation. The allegations and the doctrines are alike utterly indefensible. It is perfectly notorious, that the French Silver Coin is exported, and replaced by Gold Coin, almost solely in consequence of the under-valuation of Silver by the French Mint regulations; — and the process of replacement, so far from disturbing any "equili-"brium," is the identical method by which equilibrium will be preserved. The threat of punishing persons who trade in gold and silver is fit only for a Government which, on medieval principles, believes in that particular form of prosperity represented by a balance of trade to be discharged in specie by the foreigner.

The paper of M. Magne was destitute of practical consequences, and excited very general ridicule.

The more immediate difficulties of the Bank of France were surmounted by the aid of the measures of restriction adopted by it; but principally by means of the large supplies of Gold which very opportunely arrived, in October and November ('56), from Australia and America.

And the real moral of the whole of the violent and extraordinary proceedings of the Bank of France, in 1855 and 1856, to protect and increase its Reserve, is shortly — That, but for the New Supplies of Gold, those measures must, of necessity, have been devoid of success; and that at a very early period of the pressure in France, a catastrophe must have been encountered.

## SECTION 21.

### *Credit Foncier in France.—Extent of the Territorial Debt.*

By *Credit Foncier*, in France, is implied the systems or modes, in accordance with which the owners of money capital are in the habit of making advances, on the security of landed property, to the persons actually interested as landlords, or as landlords and farmers combined, in the results of the cultivation.

These advances are known as placements hypothécaires; and notwithstanding the frequent assertions of the exceeding simplicity and cheapness of the French Code, it is certain that this class of securities is exposed to considerable peril, and is subjected to notarial and other charges, which amount to a very heavy per centage. As regards the insufficiency of the safeguards afforded by the law to the lender, M. Leon Faucher said, in the debate of the 10th October, 1848, on the project then before the Assembly for the creation of Bons Hypothécaires,—

"L'hypothèque inscrite ne saisit pas suffisam-
"ment le preteur; le gage qu'on lui a donné
"peut être revendiqué par d'autres. La situation
"de l'emprunteur n'est pas connue, et à la faveur
"de cette obscurité, la mauvaise foi devient pos-
"sible. Evidemment le premier pas de la réforme,
"le premier moyen de Crédit pour la propriété,
"c'est un changement radical dans nôtre système
"hypothècaire; c'est la suppression de l'hypo-
"thèque latente."

The counterpart in England of the French Hypothèques are the advances by way of mortgage on real estate; and in Yorkshire and Middlesex, where there are Land Register Offices, the analogy would seem to be complete, inasmuch

as those Register Offices may be considered to correspond more or less with the Roles of the French Cadastre.

The pressure of the Dette Hypothécaire, or Dette Territorial, on the proprietors of the French soil, is an old and fruitful source of lamentation in that country.

The estimates of the proportion borne by this Territorial Debt to the total current value of the landed and real securities upon which it rests are very various. M. Wolowski, who is one of the most recent and one of the most competent authorities on the subject, is inclined to estimate the total current value of the "proprieté foncière" of France at about 2,800 Millions sterling; and the total amount of the "Dette Hypothécaire" at about 320 Millions sterling, or at about 12 per cent. of the value of the security. And he agrees with M. Passy, that, assuming the approximate correctness of these proportions, the land of France is not as heavily burdened with debt as the land of most of the other countries of Europe.

The Interest, however, payable on the Dette Hypothécaire is more out of proportion to the Total Income of the Securities, than is the Total Principal to their Total Value.

The "revenu foncière" of France is estimated at 80 Millions sterling per annum, or not quite 3 per cent. per annum on the Total Value of 2,800 Millions. The annual charge of the Dette Hypothécaire is estimated at 22 Millions sterling per annum, or about 7 per cent. per annum on the 320 Millions representing the capital of the advances. In other words, about a fourth part of the whole rent of France would seem by this statement to be annually absorbed in the payment of interest on mortgages; and it would also seem, that there prevails in France the highly anomalous state of things, of real property selling in the market at

prices which pay a purchaser barely 3 per cent. per annum on his investment; and of the payment, nevertheless, by owners or purchasers, of no less than 7 per cent. per annum for money advanced on mortgage of the same investments.

Of the substantial facts, as stated in this abstract form, there is no doubt; but the explanation of the apparent inconsistency is found in the circumstance, that by far the largest part of the mortgage advances in France are required by persons who combine the two functions of Landlord and Farmer, and who, not having sufficient capital of their own to carry on the business of cultivation, seek assistance from the class of lenders. On the part of such a Borrower, therefore, the fund available for the payment of interest, on borrowed money, is twofold;—namely, first, the return coming to him as the *rent* of his land, and second, the return coming to him as the *profit* upon his farming operations.

But there still remains the pregnant and very extraordinary fact, that in France, so much more powerful is the disposition to buy land than to depend on any other form of investment, — and so inadequate are the supplies of money-capital to the requirements for it for purposes of agricultural industry, — that while purchases of land yield only 3 per cent., advances to actual cultivators, secured by a mortgage on the estate, are not to be had for less than 7 per cent.

In England, the difference in the annual return between the Rent yielded by an estate in land bought in the market; and the Interest yielded by a sum of money advanced as mortgage upon landed property of ample value, cannot be stated at more than 1 per cent., except under highly exceptional circumstances; that is to say, 3 per cent. obtained in the form of Rent, and 4 per cent. obtained in the form of Interest.

In France, it appears, that, on the average of the whole country, this difference is as much as 4 per cent., and in a considerable number of Departments the difference is still greater; for in 1845, it appeared by the answers obtained from the various Conseils-Généraux to a series of questions addressed to them by the Minister of Agriculture, that in twenty-two districts, the rate of interest paid for advances on mortgage was 7, 8, 9, 10, and even 12 per cent. per annum.

The heaviest rates of interest fall, of course, upon the smallest borrowers; but the average amount of the smallest loans is far more limited than any experience of similar transactions in this country would lead us to expect.

By an analysis of the roles of registration, a statement was obtained of the *prêts hypothécaires* for the year 1841, and of this statement the following figures contain an abstract, viz.: —

(O.) *Prêts Hypothécaires in France in* 1841.

| Limit. | No. of Advances. | Total Sum advanced. | Average of each Advance. |
|---|---|---|---|
| | | £ | £ |
| 16*l.* and under | 155,000 | 1,464,000 | 9 |
| 16*l.* to 40*l.* | 90,000 | 2,500,000 | 27 |
| above 40*l.* | 84,000 | 12,100,000 | 140 |
| | 329,000 | 15,064,000 | 46 |

It would seem from this return that, as regards number, nearly half the advances are for sums under 10*l.*

The year 1841 was a season when the Prêts Hypothécaires were in gross amount less than usual. The average annual gross amount of the nine years 1840–48 was 22 Millions sterling—and, as might be expected, in the deficient season of 1847, there was a considerable rise in the gross amount—a rise namely to 25 Millions.

These are the general facts of the condition of the proprietors of the soil—or rather of the proprietors of the soil and of certain classes of buildings raised on the soil—in France, as regards their obligations for money borrowed.

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## SECTION 22.

### *Credit Foncier: — Origin and Principles of the Class of Institutions so called.*

A state of things the same in character, and difficulties equally urgent, have existed in other Continental States; and in some of them systematic modes have been devised for lightening the burden which presses upon the landowners, and it is to these systems that the term of Credit Foncier properly applies.

The earliest example of an institution of Credit Foncier is believed to have been afforded in Silesia, at the close of the Seven Years' War.

The landed proprietors of the province had been exhausted by the conflict, and, adopting the recommendation of a merchant of the name of Buhring, Frederick the Great authorised the formation, among the Silesian landowners, of a Mutual Society for guaranteeing the repayment of the advances held by, or made to, any of its individual members. The lenders dealt, not with the individual, but with the Society; and the security granted for each advance was an obligation or mortgage on the particular property concerned, fortified by the joint guarantee; and so adjusted, as regards repayment, that by means of a Sinking Fund of 1 per cent. per annum, accumulating at Compound interest at 4 per cent. per annum, the principal of the debt was repaid in forty-

one years. Simple interest at 4 per cent. was also paid during the process of liquidation.

In general terms, the system of Credit Foncier, as introduced into Silesia, consisted in improving the security offered to lenders by means of the joint guarantee of the Society;—in facilitating the negotiation of advances by means of a special law;—in providing for the liquidation of the principal of the advance by means of a terminable annuity to be accumulated at compound interest;—and by providing also for the punctual payment, year by year, of simple interest on the advance.

The modifications of these principles were various: in some cases, for example, the Sinking Fund was doubled, and made 2 per cent. per annum—but into whatever part of Germany the Silesian system extended, its real outlines remained the same.

The Credit Foncier seems to have been speedily adopted throughout the Prussian provinces—and from them to have gradually reached Austria and most of the German States. It was introduced into Denmark in 1850; and it has also been adopted in the Baltic Provinces of Russia.

In Belgium and in Bavaria, Wurtemberg, and some other parts of Germany, the State has authorised Joint Stock Companies to put themselves forward as intermediate agents between lenders and individual landowners; the Companies seeking a profit by the per-centage charged for their superintendence and guarantee; and, as we shall see, this is the form of Credit Foncier prominently introduced into France in 1852.

The nearest approach in this country to the Joint Stock modification of the Credit Foncier, are the Land Drainage and Improvement Companies, first incorporated under an Act of Parliament passed in 1849, and already described in the preceding volume (v. 187). A counterpart of the original Silesian scheme may be found in the plan adopted

about ten years ago, at the suggestion of Mr. Chadwick, for enabling Towns to borrow money on the condition of effecting its repayment by instalments extending over twenty or thirty years.

But in this country the principal furnishers of capital to persons able to offer real security, and to Municipal Corporations and others able to offer adequate security, in the form of duly authorised rates;—are the Insurance Companies. And it is probable that not less than 80 or 90 Millions sterling aer at present owing to these institutions under transactions which in France would be described as Prêts Hypothécaires.

But, sound and wholesome as was the original design of the Credit Foncier, it was not long in giving rise to several forms of suggested or actual abuse.

So long as the Lettres de Gage, or Obligations, taken by the lender from the Society were restricted to the technical form of a mortgage, and were rendered not transferable, except under reasonable precautions of notice and registration, no mischief could ensue. But it was not long before it occurred to some scheming financier that these obligations might be converted into Bons Hypothécaires; might be made a medium of circulation; might perform the functions of Bank Notes; might be rendered even more acceptable than Bank Notes, by virtue of the interest accruing upon them; and, finally, might be declared, in case of necessity, a Paper of compulsory tender.

The French Assignats are the most formidable and fatal example of the application of these new principles.

The Assignats all purported to be secured by an assignment on the national domains; and in some of the schemes for issuing the assignats, there was a stipulation that they should carry interest. But they were all inconvertible into specie; they were

all, sooner or later, decreed to be a compulsory tender; and they all became utterly worthless.

It was against a scheme proposed by the French Government, in October, 1848, for the creation of Bons Hypothécaires, that M. Léon Faucher and M. Thiers directed two of the most forcible speeches addressed to the National Assembly. The proposal was defeated; and although the question of improving the system of Prêts Hypothécaires continued to excite considerable attention, no formal measures were adopted by the Government till 1852.

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## SECTION 23.

### *Constitution and Objects of the Society of Credit Foncier established in* 1852.

On the 28th February, 1852, an Imperial Decree authorised the formation of Sociétés de Credit Foncier, and effected certain modifications of the law, with the view of assisting the operations of these Societies. On the 28th March, 1852, a *Banque Foncière de Paris* was established, and in the course of 1852 several further Decrees were issued, extending or modifying the institution. On the 10th December, 1852, the title was changed to *Credit Foncier de France;* and at length, on the 6th July, 1854, the institution was placed on a footing analogous to that of the Bank of France.

The original concession, of March, 1852, was to a Joint Stock Company, at the head of which was M. Wolowski — the eminent person who has contributed in the largest degree to the sound exposition, in France, of the resources of the Credit

Foncier system. But the decree of July, 1854, superseded M. Wolowski, and placed the management of the institution in the hands of a Governor and two Sub-Governors, named by the Emperor.*

The Capital of the Society is fixed at 2,400,000*l.*, to be raised in shares of 20*l.* each—one half of which (10*l.*) is paid up—providing a paid-up Capital of 1,200,000*l.*

The Statutes described the objects of the Society to be:—

(1.) De prêter sur Hypothèque aux propriétaires d'immeubles situées dans tous les Départements des sommes remboursables par les emprunteurs au moyen d'annuités comprenant les Intérêts, l'Amortissement, ainsi que les frais d'administration.

(2.) D'appliquer avec l'autorisation du Gouvernement tout autre système ayant pour objêt de faciliter les prêts sur Immeubles et la libération du Debiteur.

(3.) De créer pour une valeur égale à celle des engagements hypothécaires souscrits à son profit, des Obligations produisant un intérêt annuel, par la voie du tirage au sort, avec ou sans lots et primes, et portant le tître d'*Obligations Foncières.*

(4.) De reçevoir en prêt, sans intérêt, les sommes destinées à être converties en Obligations Foncières.

The term of concession to the Society is 99 years, from 30th July, 1852.

In reducing into practice the object set forth in its first statute, the Society has already had to subject its terms to several modifications. Adopting 50 years as the term of the repayment, the Society began by announcing 5 per cent. as the gross annuity to be paid by the Borrower during the fifty years. It is to be presumed, that, at so low a

* The persons so named were the Comte de Germiny, as Governor, and MM. Crépy and Daverne as Sub-Governors.

rate, the applications became unmanageable. A rate of 5·44 per cent. was then announced. In a short time the rate was again raised to 5·65 per cent.; and, by a fourth alteration, it was fixed at 5·95 per cent. for the fifty years.*

The *Obligations Foncières*, described in the third statute, require some explanation,—and that explanation will be best obtained by a statement of the measures actually adopted by the Society in this division of its operations.

The Society, then, has issued its Obligations, or Bonds or Debentures, for sums of 40*l.*, 20*l.*, and 4*l.*; that is, for sums of 1000, 500, and 100 francs. These Obligations bear 3 per cent. per annum, but are repayable according to certain Lottery draw-

* The details of these several rates are as follows, viz.:—

*Annuity per Cent. to be paid by the Borrower to the Society during Fifty Years.*

| *Parts.* | First. | Second. | Third. | Fourth. |
|---|---|---|---|---|
| Interest | 3·700 | 4·250 | 4·510 | 5·000 |
| Sinking Fund | 0·704 | 0·591 | 0·543 | 0·462 |
| Charges | 0·596 | 0·600 | 0·596 | 0·487 |
| | 5·000 | 5·441 | 5·649 | 5·949 |

According to these terms, the Borrower has the benefit in his Sinking Fund of the *same* rate of interest paid by him from year to year. Thus, under the Fourth set of loans, the annuity of 0·462 per annum amounts, in fifty years, at 5 per cent., to the 100 advanced. In the case of the advances made in England under the Health of Towns Acts, the practice has become to disregard the technical form of a Sinking Fund, and to accomplish the same purpose by the simpler arrangement of providing for such an amount of uniform annual payment, during the twenty or thirty years, as will repay the *principal*, and also furnish the annual interest at the rate agreed upon. In other words, the *annual* sums applied as *principal* continue to *increase* to the end of the term; and the *annual* sums applied as *Interest* continue to *decrease* to the end of the term.

ings, at the rate of 48*l.*, 24*l.*, and 4*l.* 16*s.*,—that is, are repayable at uncertain times, but at a premium of 20 per cent.

The Lottery Drawings take place four times a year, in March, June, September, and December. A very ingenious system of numbers is employed, and the 40*l.* Bond, first drawn, carries away a prize of 4000*l.*, over and above the rate of 48*l.*, at which it is repayable. The second Bond drawn is entitled to a prize of 2000*l.*; the third to 1600*l.*; and so on, in descending sums, to the fourteenth number drawn. The prizes attached to the Numbers 7 to 14 are 200*l.* each; and contrivances are employed for allowing the Bonds of 20*l.* and 4*l.* to have an equal chance of obtaining rateable prizes. In 1853 and 1854 the sums paid by the Credit Foncier, for these Lottery prizes, was not less than 48,000*l.* in each year;—in 1855 it was 32,000*l.*

The intention of this Lottery element is to draw deposits to the Credit Foncier faster than they would be obtained by the mere offer of an interest of 5 per cent. per annum. Instead of paying 5 per cent., the Society pays 3 per cent., and distributes the further 2 per cent. as Lottery Prizes, to be drawn for four times a year; adjusting, it is presumed, the number of Bonds to be paid off, at each drawing, to the repayments of capital under its advances; and providing the premiums of 20 per cent. on the Obligations by keeping the funds in hand, on account of the Sinking Fund, at an amount considerably beyond the total of the obligations to be redeemed.

Of the ingenuity of the scheme there can be no question. Neither can there be any question that, by introducing the element of gambling into the sober business of receiving money on deposit; by placing the amount of the deposit notes so low (4*l.*), that the humblest classes will be those most largely affected by the chances of sudden fortune

held out to them; and by surrounding a simple matter of lending and borrowing with combinations fit only for the hazard-table;—the Credit Foncier, as introduced into France in 1852, will not fail to be a source of vast evil, instead of a means of good.*

At the close of 1855, the Credit Foncier had raised more than 3 Millions sterling by the issue of the gambling obligations just described.

As far as I can ascertain from the published accounts, the following statement contains a summary of the operations of the Society during the two years 1854–55.

(P.) *CREDIT FONCIER DE FRANCE: — Commenced Feb.* 1852 — *finally organised in July,* 1854, *under the direct control of the Government.*

| YEAR ended 31 Dec. | LIABILITIES. | | | ASSETS. | | |
|---|---|---|---|---|---|---|
| | Capital paid up. | Obligations issued. | TOTAL. | Loans completed. | Sundry Assets. | TOTAL. |
| | £ | £ | £ | £ | £ | £ |
| 1854 | 1,200, | 2,800, | 4,000, | 2,180, | 1,820, | 4,000, |
| 1855 | 1,200, | 3,120, | 4,320, | 2,680, | 1,640, | 4,320, |

NOTE. — The three figures at the *unit* end are omitted: thus, 1,200 represents 1,200,000*l.* — The Dividends to the Shareholders have hitherto not exceeded 4½ per cent. per annum.

Compared with the 320 Millions sterling composing the Dette Hypothécaire of France, these

* It may be said that the plan of repaying Debentures by Lottery Drawings, assigning prizes to a series of early numbers, is not new in France. Unhappily this is too true. This plan was adopted by the City of Paris in 1848, as regards the Loan of 1,000,000*l.* then raised, and it was again more extensively adopted as regards the Loan of 2,000,000*l.* in 1854. Some of the Railways issue Debentures at, say, 3 per cent., repayable at a premium — but *without* any Lottery prize. The system, however, is as false economically, as it is vicious morally.

advances of 3 Millions by the Credit Foncier are, of necessity, very trifling.

But that in two years the Credit Foncier should have become possessed of more than 3 Millions sterling, in exchange for its Lottery Obligations, is a strong proof of the attractions, to the middle and artisan classes, of a description of security involving so largely the gambling element.

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## SECTION 24.

### *Credit Mobilier:—Constitution and Objects as settled in November*, 1852.

I have now to describe the constitution and progress of the society or association which, under the title of *Credit Mobilier*, has, during the last four years, become a subject of curiosity and astonishment in every country where the science of modern finance is cultivated and understood.

The Decree establishing the *Société Générale de Crédit Mobilier*, is dated 18th November, 1852.

The concession of privileges is for 99 years from the date of the Decree; the joint-stock capital is divided into 120,000 shares of 20*l.* (500 frs.) each, all paid-up, and raising, therefore, a paid-up Capital of 2,400,000*l.* The Shares are made available to the *Bearer*, and may be transferred from hand to hand.

I shall prefer to translate, as literally as practicable, those portions of the Statutes of the Society which prescribe the class of operations it was established to undertake. It might be possible to convey the meaning in fewer words, but it is due to the reader that he should be able to form his own conclusions from the actual text.

The following, therefore, are the principal Statutes, with the addition merely within square brackets ([ ]) of a few words and figures necessary to elucidate the technical effect of some of the clauses:—

1. To subscribe to or acquire Public Funds or Stocks; and also Shares or Bonds in various Industrial Enterprises, constituted on the principle of limited liability; particularly in Railways, Canals, Mines, and other public works founded or to be founded.

2. To issue, to the extent of a sum equal to the sum employed for purposes of the subscriptions and purchases aforesaid, the separate Obligations of the Society itself.

3. To sell, or give as security for advances, all effects, shares, and obligations acquired or held by the Society; and to exchange such effects, shares, and obligations against other values.

4. To underwrite all Loans, to undertake and realise them; also to undertake and realise all enterprises for Public Works.

5. To lend on Public Securities, and on the Deposit of Shares and Bonds, and to open credits on Account Current on the deposit of different kinds of value.

6. To receive money on Account Current.

7. To undertake all kinds of Collections for Companies, as aforesaid; to pay their Interest and Dividend Warrants; and generally to undertake all business relating to such Companies.

8. To open a Bank of Deposit for all the Securities issued by the Companies aforesaid. — All other operations are interdicted.

9. It is expressly understood that the Society shall never undertake Sales "à decouvert," [that is, Sales of Stock, &c., merely for the Account Day or Settlement,] nor Purchases "à primes," [that is, purchases which may be annulled by the payment of a mere fine or option].

10. After the complete issue of the Joint Stock Capital of the Society, the Obligations created by the Society may attain a sum equal to *Ten Times* the said Joint Stock Capital [that is, to (10 × 2,400,000,) 24,000,000*l.*].

11. The accumulated amount of the Sums received on Account Current, and the Obligations of the Society created, payable at *less* than one year's date or sight, shall not exceed Twice the amount of the Paid-up Capital, [that is, shall not exceed (2 × 2,400,000,) 4,800,000*l.*].

12. A Council of fifteen members shall administer the Society.

13. An Executive Council of Five Administrators shall be charged with the execution of the decisions of the Council.

14. The ordinary General Assembly of the Society shall take place in April. It shall be composed of *two hundred* of the

largest shareholders. In order to be valid, it must be composed of at least forty members, and represent a tenth part of the capital.

15. Each member of the assembly shall have as many votes as he has multiples of forty shares, but the largest number of votes shall not exceed five.

16. Each financial year will terminate on the 31st December.

17. The Net Profits shall be divided as follows, viz.: (1) 5 per cent. on the Share Capital shall be distributed among the shareholders; (2) 5 per cent. shall be added to the Reserve Fund, the total amount of which shall be restricted to 80,000*l.* The surplus remaining shall belong in the proportions of *one tenth* to the Administrators of the Society, and *nine tenths* to the Shareholders, as further Dividend.*

Before proceeding to consider the real purport of these statutes, it is very desirable that we should have before us a statement of the views and principles held by the promoters of the Society themselves.

And it fortunately happens, that the publication of the Statutes in November, 1852, was accompanied by the publication of a Programme put forward with the sanction of the Credit Mobilier and of the Government. That programme appeared in the Journal des Débats of 23rd November, 1852.

And the following is a close translation of it:—

"The Bank of France obtains the greatest part of the funds which it employs by the issue of Notes to bearer, payable on

* The Council of the Society consists of Isaac Pereire, Charles Mullet, Adolphe d'Eichthal, Benoist Fould, De Abaroa, Ernest André, H. Biesta, G. des Arts, Duc de Galliera, Frederic Grieninger, Comte de Morny, Emile Pereire, Baron Seillère, Casimir Salvader. The original concessionaires of Nov. 1852, were MM. Isaac and Emile Pereire, B. L. Fould, and Fould Oppenheim. These four persons were called "promoters;" the fifteen or twenty persons associated with them were called "founders;" and among the "founders" appear the names of the Princess de Leuchtenberg, and of the Prince Torlonia of Rome. There were also Solomon Heine, of Hamburgh; and Solomon Oppenheim, of Cologne. The Scheme, therefore, had extensive ramifications. There is great adroitness in the clause of the fourteenth Statute, which limits the annual General Meeting to 200 of the *largest* Shareholders in a Company of 120,000 Shares; and gives *five* votes to a holder of 200 shares.

demand. It is in consequence of this obligation of constant repayment, that the Bank can only undertake investments essentially temporary, in order that it may have its funds within its command at a short period.

"It results from this constitution of Banks of Discount, that such institutions, which, under ordinary circumstances, are of the greatest utility, become powerless in moments of difficulty. *They augment the intensity of Crises by the necessity under which they are placed, of diminishing their credits at a moment when Credits are the most necessary.*

"But such, nevertheless, is the utility of these establishments, that we may endure their inconveniences, in consideration of the considerable advantages which they do afford.

"The Society General has a mission entirely different from that of Banks of Discount, and its constitution will not present any of the inconveniences inherent in that form of Credit.

"The Society General will promote industry by way of *commandité*, by taking shares or bonds in the principal companies constituted *en société anonyme*, and particularly in such as have for their object the execution of public works.

"It will contribute, also, to the formation of the fixed capital even of leading companies, in contrast to Banks of Discount, which furnish only, under precarious heads, but a portion of the floating funds of industry.

"The superiority of the constitution of the Society General consists in the scheme which it includes for the *emission of Obligations at long term*, in such a manner that the repayment of the Obligations will proceed *pari passu* with the redemption of the Shares and Bonds which the Society will hold in its portfolio.

"The Society will also emit Obligations at less than a year of term (d'échéance); but the amount of these (short) Obligations will be held in sufficient restraint, and will be in relation with current business.

"*The Society General will have, consequently, nothing to fear from political, industrial, or commercial crises.* On the contrary, we may affirm that it is at those conjunctures when it will be able to render the greatest services; for, being the representative of a considerable number of enterprises, the character of a Company of assurance which it presents, will secure to its Obligations preference over all other particular investments (placements).

"The Society General will perform the office of an intermediate between Capitalists and Industry; and it will obtain for the first the security which is only given them now by a reduction of the rate of interest, which is produced by the employment of their funds.

"This New Bank will put an end to the onerous conditions

commonly exacted at present for definitive investments in industry; just as ordinary Banks of Discount have made to cease the abuses of usury in the discount of the paper of commerce.

"Independently of this character of a Banque Industrielle, which will distinguish the Society, the Society will also, like the Bank of France, undertake loans on Public Stocks, and on Shares; but these analogous operations, far from interfering with the Bank of France, will be eminently favourable to that establishment; for the Society General will make its advances in the form known on the Bourse by the title of *reports* [that is, *continuations* of stocks and shares from one Account-day to another]. It will lend, through the medium, and with the guarantee of the Stock Brokers (agents de change), the *whole of the value of public funds or shares;* while the Bank of France lends no more than a portion. The Society will make larger advances to the public than the Bank of France, and it will then be in a position to borrow from the Bank of France on the deposit of the same securities.

"The gains of the Society will consist in the difference of interest between the rate at which it lends to the public, and the rate at which it borrows of the Bank.

"In placing itself as the intermediate between the class of Borrowers, and the Bank of France as the lender, the Society will be able to render great services, on the one side, to the holders of public stocks and shares; and, on the other, to the Bank of France. The Society will, by these means, augment the usefulness of the Bank — an establishment which, during fifty years, has rendered great services to the country.

"In fact, by means of the funds of which it will have the disposal, the Society will be able to reduce the rate paid for *reports* [continuations from account to account],—a rate which, during two or three months, has amounted to 15 to 25 per cent., and has even exceeded 50 per cent., on the best securities. Such a state of things calls for an immediate remedy; and there can be no remedy so efficacious as the establishment of this new Society.

"As regards the Bank of France, the institution of this new Society will permit it to augment, without any risk, the mass of its loans, and to do so without exceeding those rules of high prudence which have constantly presided in its management.

"For all that class of operations which have great importance in connection with the maintenance and development of public credit and public affairs, the Society General will act as an adjunct (succursale) of the Bank of France — just as the Discount Bank acts as an adjunct for the discount of commercial paper.

"The Society will cooperate in the contracts for public

loans, and will thus render great services to the State in introducing an element of competition into a field where no such competition at present exists."

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## SECTION 25.

### *Credit Mobilier: — The peculiar Features in the Scheme of its Operations.*

According to the scheme set forth in the Statutes and in this Programme, the operations of the Credit Mobilier may be properly distinguished, as has been suggested by one of the most able of its critics, M. Eugène Forcade*, into three divisions; namely: —

(1.) The Credit Mobilier is a Joint Stock Company intended to take in hand or originate Trading enterprises of all kinds, applying to them the principle of Commandité or limited liability; — (2.) The Credit Mobilier is a Joint Stock Company authorised to supersede and buy up all kinds of Trading companies (railway companies, for example, and others) at present existing, and to replace the shares and bonds of such Companies by the issue of Scrip or Shares of its own, and in its own name; — and (3.) The Credit Mobilier is a Joint Stock Company authorised to conduct, on the principle of commandité, all the ordinary business of Banking; and also all the descriptions of busi-

* The elaborate articles by M. Forcade, in the Revue des Deux Mondes, of 15th May, and 1st June, 1856, are by far the ablest expositions which have yet appeared of the class of questions affected by the operations of the Credit Mobilier. The writer of those articles, and the Editor who adopted and published them, deserve, in the present unhappy condition of the press in France, the highest praise, not merely for the depth and sagacity of the views which are maintained, but for the moral courage displayed in expressing so fearlessly opinions which in France receive but little sympathy.

ness appertaining to the vocations of a Broker, and of a Jobber on the Stock Exchange.

The funds necessary for carrying on this extensive and novel combination of purposes, are to be obtained from three sources; namely, (1.) the paid-up Capital of $2\frac{2}{3}$ Millions sterling; (2.) the issue of Obligations payable at *not less than forty-five days' date, or sight;* (3.) the receipt of money on Deposit or Account Current.

After the completion of the Joint Stock Capital — a completion which took place in 1853 — the Society is authorised to issue Obligations to the amount of *ten times* its paid-up Capital, that is, to the amount of 24 Millions sterling; and as, according to the eleventh statute, the total amount of the Obligations at *less* than one year's date, or sight, added to the total amount of the Deposits, are not to exceed *twice* the amount of the Joint Stock Capital,—that is, is not to exceed, say $4\frac{4}{5}$ Millions sterling,—it seems to follow, that nearly all the 24 Millions of Obligations are intended to be of *more than one year's date, or sight.* We say nearly all the Obligations, because the amount of the Deposits or Current Accounts had reached, in 1855, a sum exceeding 4 Millions sterling.

Into the nature of these Obligations we will presently inquire. But in the meantime it must not be overlooked that the greatest of the immediate benefits promised by the Programme of November, 1852, was that the first care of the Society would be directed to facilitating operations on the Bourse, by reducing the rates charged for "Continuations" (reports) from one settlement day to another.

The Society, it is said, will lend under the guarantee of the Agents de Change, the "totalité de "la valeur des fonds publics et des actions, tandis "que la Banque n'en prête qu'une portion;" and it is then explained, that, affording to the Bank of France the guarantee afforded to the Society by

the Agents de Change; the Society will re-raise from the Bank of France, and on the same securities, the loans it has already made to the speculators. In other words, the Agents de Change and the Society will constitute themselves into a channel, by means of which the funds of the Bank of France shall be largely and systematically employed in sustaining speculators in their Time Bargains in stocks and shares.

The programme alleges further that all institutions which, like the Bank of France, obtain the largest part of their disposable funds by means of Notes and Deposits, payable in coin on demand, "become powerless in moments of difficulty, and "augment the intensity of Crises by the necessity "under which they are placed of diminishing their "credits at the moment when credits are the most "necessary;" and it is added, that the constitution of the Society General will entirely preclude "any of the inconveniences inherent in the form" of ordinary Banking Credit. In other words, the Credit Mobilier will command resources which will enable it to continue, and even to extend, its advances in the face of adverse exchanges, and a rapid efflux of gold and silver.

The Programme is not very explicit as to the manner in which those new and vast resources are to be provided; but the general nature of the form in which the prolonged and enlarged assistance is to be granted is indicated very plainly. "The "superiority," it is said, "of the constitution of "the Society General consists in the scheme which "it includes for the emission of Obligations at "*long term* in such a manner that the repayment "of the Obligations will proceed *pari passu* with "the redemption of the Shares and Bonds which "the Society will hold in its portfolio;" and it is added, "the Society will consequently have nothing "to fear from political, industrial, or commercial

"crises,"—a boast, probably, as bold as ever found expression.

If these statements admit of any serious and specific interpretation, that interpretation can be only in one form, and it must be this:—That, as the powerlessness of ordinary Banks to continue and extend their advances in seasons of pressure arises from the necessity under which the Banks are placed, of discharging all their obligations in Gold and Silver—the Gold and Silver being required in all cases, except that of internal panic, for transmission to foreign creditors,—any Institution, which, like the Credit Mobilier, undertakes to continue and enlarge its advances when ordinary Banks are compelled to adopt a precisely opposite course, can do so only by relieving itself of the condition of Specie payment; and it would appear that this is precisely what the "emission of the Obligations at long term" is intended to do.

It seems to be the notion of M. Isaac Pereire and his colleagues, that they can go on exchanging the Credit of their Society against the Credit of individual merchants and traders without limit of quantity, or end of time. "The Obligations," they say, "are to be redeemed by the repayment of the "effects against which they were issued." But the scheme says that there shall never be any "crises," and the absence of crises supposes that all debtors shall, as the programme says, "never be "under the necessity of diminishing their Credits." In other words, if the bill, discounted three months ago, cannot be conveniently paid at maturity, it may be renewed, and, if the debtor so desires, it may be increased in amount. But a process of this kind is not repayment, but extension—and extension which can only be carried on by one means, namely, Inconvertible paper,—and arrive at only one goal, namely, hopeless Depreciation.

## SECTION 26.

*Credit Mobilier: — Nature of the Circulating Paper to be issued under the Name of Obligations.*

But not only is the Credit Mobilier designed to be an institution for affording unlimited accommodation to Borrowers, it is also designed to be an institution which (to quote the programme) "will perform the office of intermediate between "the Capitalists and Industry,"—that is to say, it will collect funds from small and large depositors, and it will employ these funds (to quote the first of its statutes) in providing "the funds, stocks, shares "or bonds of various Industrial Enterprises con- "stituted on the principle of limited liability, "founded or to be founded."

And the effect of this arrangement will be, according to the programme, to secure to the depositors and shareholders of the Credit Mobilier at the same time the alleged perfect security of its guarantee; and the alleged receipt of a rate of interest quite equal to the profits to be obtained by the actual management of a business.

It appears then, that, with the evidence already before us, we may safely generalise so far in the inferences it justifies, as to draw four conclusions, namely; —

(1.) That the first aim of the Credit Mobilier, when established in November, 1852, was to direct nearly the whole of any resources or influence it could command to the maintenance and extension of Speculative operations on the Paris Stock Exchange;—(2.) That it places in the first rank of its ultimate operations, the assumption of the functions

of an universal Trading company, on the principle of limited liability; and holds out as an inducement for public support, the promise of a rate of interest on capital entrusted to it, equal to the rate of profit to be obtained in trade;—(3.) That it puts forth in the most positive form promises of accommodation to traders and others requiring advances so unlimited that Commercial Crises are declared to be no longer possible; and (4) That the means by which these advances are to be effected, is described to consist of a species of Transferable Obligations payable at a long usance,—the Obligations constituting in reality a medium of Paper Credit subject to no reliable limit as regards quantity, and open to every abuse and objection which can be alleged against Inconvertible Notes.

It is this last feature of the scheme of the Credit Mobilier which is perhaps the most important as well as the most audacious; and it is a portion of the plan which does not appear merely in a latent and indistinct form in the Statutes, and in a form more imposing in the original Programme, but it has been revived, and re-expounded, and re-asserted in the Reports presented by the Managers of the Credit Mobilier at the Annual Meetings.

At the first of these Annual Meetings, held in June, 1854, after the Society had been more than a year and a half actively at work, M. Isaac Pereire entered into a statement of the nature and office of this new Obligation Money or Credit Money—or whatever may be the most appropriate name to apply to so anomalous a creation—so remarkable that it is well entitled to be preserved.

And, accordingly, I translate it with as much closeness as the nature of the case will permit.

"One of the most important of the functions," says M. Isaac Pereire, "of the Credit Mobilier, will consist, when the proper moment shall arrive, *in the Issue of Obligations bearing interest from day to day.*

"These instruments (titres) will combine at once the character of the Bank Note, and of all values bearing a specific rate of interest, repayable at short terms, or redeemable at long dates, such as Rentes, Shares, and Bonds.

"They will serve at once to reduce into active circulation (à mobiliser) the effects of which they will be the exact representatives; and also assume by their form, and, by the facility with which they will indicate, day by day, at a glance, the interest which attaches to them, the character and the application of *Credit Money* (monnaie fiduciaire).

"The creation of the Bank Note has been a step of great progress, and one of the happiest applications of Credit.

"The Bank Note is the complement of the ordinary monetary system. But its utility is not merely the facility of transmission which it presents; its utility arises much more from the means which it affords of augmenting the capital necessary to the circulation of the riches of a country. Under the direction, intelligent and able, of the establishments charged to regulate the employment of Bank Notes, this new capital becomes a prolific instrument — a powerful lever — by the aid of which the rate of interest may be regulated and reduced. But the quantity of these Effects which do not bear interest, and are repayable at sight, is necessarily limited at once by the wants of the circulation, — and by the formal requirements of the Legislature, as in England,—or, as in France, by the high prudence of the establishment charged with the functions of issue.

"*By the side of the Bank Note there exists a vacant place which our Obligations are called to fill.*

"The principle of these Obligations being, *not to be repayable, except at a date corresponding with that of the Effects which they represent in our portfolio*, and to carry interest for the benefit of the holder, their emission will find itself free from all inconveniences; and will have for its consequences, on the one hand, the application to a useful purpose of a considerable mass of Banking Funds (fonds de Caisse), and of capitals not employed, which at present are lost to the community; and, on the other hand, these Obligations will furnish to all a means of deposit (placement) regular and permanent.

"The benefit or profit of the establishment of the Society, on the remission of these Obligations, will consist in the difference between the rate of interest borne by the Obligations, and the rate at which we shall employ the sum corresponding to their amount.

"Our Obligations will be of two kinds.

"The first, issued at *short term*, will correspond to our several temporary placements of funds.

"The second, issued at a *long term*, and repayable by way of sinking-fund, will correspond to lodgments of the same

nature which we may have made in Rentes, in Shares, or in Bonds of Industrial Companies.

"Following the economy of the system, which serves as the basis of our Society, these Obligations will have not merely the Security of a corresponding sum of values acquired under the control of the Government, and the reunion of which will offer, by the application of the principle of mutuality, the advantages of the compensation and division of risks; but they will also have still further the guarantee of a capital which we have placed, with this view, at a considerable figure. *Divided into amounts which will accommodate themselves to all the wants of the Circulation*, and each bearing a regulated table, showing, day by day, the interest of what they are productive, our Obligations will thus present all the security, and all the facilities, that can be desired.

"They are destined to become, in the hands of great numbers, a veritable, portable Savings' Bank; and their introduction into the circulation will moreover have the result of replacing, successively, all Securities (titres) of which the income is uncertain (such as shares in Industrial Companies), by the Obligations yielding the revenue, fixed and certain, of which we have spoken.

"Further: far from exciting speculation, as some may believe who have misunderstood the principle, nature, and end of our institution, the definitive result of our operations will be to offer to all classes of fortunes the means and the facility to realise, without peril, floating investments at a fixed interest.

"*Our Obligations at short term will be those which will principally perform the functions of money.* The Society will always have the means of maintaining their level, and of avoiding all fluctuations arising from variations of the rate of interest." (*First Report of the Credit Mobilier*, 21st June, 1854.)

As far as this passage seems to admit of any practical meaning, the character of the proposed "Obligations" would apparently be as follows: —

In the first place, the Obligations will consist of two classes; namely, Obligations (A.) at short usance, say one to four months, issued in the discount of Bills of Exchange; and Obligations (B.) at a long usance, say more than a year, issued as advances upon, or purchases of, the Shares or Bonds of Industrial Companies or Concerns. In the second place, all the Obligations would bear a certain rate of interest accruing day by day; an analogous in-

stance in this country being probably the interest *de die in diem* borne by Exchequer Bills.

In the third place, the profit of the Society, on the issue of the Obligations, would consist in the difference between the rate borne by the Obligations themselves, and the rate charged to the person to whom they were advanced: for example, a Bill might be discounted at five per cent., and the proceeds paid over in Obligations bearing three per cent., there would then be a margin of profit of two per cent. In the fourth place, it is set forth as the essential feature of the plan that the Obligations issued in exchange for each Bill, or Bond, or Share accepted by the Society, shall arrive at maturity at the same time as the Bill, or Bond, or Share; and that the Obligations shall accordingly be cancelled by the funds arising from the payment or redemption of the Bill, or Bond, or Share.

And lastly, it is provided that the Obligations shall be divided into amounts sufficiently small to accommodate themselves to the wants of the ordinary Circulation; in other words, that they shall pass from hand to hand like Bank Notes.

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## SECTION 27.

*Credit Mobilier: — Effects to be produced by the Issue of the "Obligations at long term."*

Now setting aside all lesser difficulties and objections, it is clear, on the very face of the statement just given, that the whole of the process to be effected by the Obligations would amount to nothing more than the exchange of one kind of Paper Credit against another.

A merchant, for instance, desires the Credit Mobilier to discount, at five per cent., his Bill for 1000*l.* at three months, falling due on the 1st

June; and he receives the proceeds in, say two hundred, Obligations of 5*l.* each, bearing 3 per cent., and also falling due on the 1st June. He pays away these small Obligations either for wages, or taxes, or raw materials, or as personal expenditure.

The hypothesis requires us to suppose that they pass by these modes into active circulation. The hypothesis also requires us to suppose that they remain in active circulation during the three months which must elapse before they arrive at maturity. But if these Obligations pass from hand to hand as a circulating medium, they will supersede an equivalent quantity of Bank Notes; and then the only real result would be that the Obligations of the Credit Mobilier had taken the place of the Notes of the Bank of France.

But this is a result manifestly not intended by the authors of the scheme.

They intend that the amount of the circulation of the Obligations should be *added* to the amount of the Circulation of Bank Notes.

But such an addition could only take place by the process of depreciation; in other words, if the Obligations and the Bank Notes are to exist side by side, they can only so exist as forms of Paper Credit, both inconvertible into coin at the will of the holder.

But let us return to the assumed case.

If, on the maturity of the 1000*l.* Bill, the amount be paid in coin, and that coin be applied in the redemption of the two hundred Obligations of 5*l.* each, it may be said that no harm has been done, and that the only real purpose accomplished has been the gain of the merchant in paying only two instead of five or six per cent. for the accommodation he required. But that is precisely the whole difficulty. If the Credit Mobilier discount Bills at two per cent. by means of their Obligations,

while the Bank of France is compelled to charge five per cent. for the same class of advances when made in coin, the consequences are too obvious to require any elaborate statement. The Credit Mobilier would be overwhelmed with customers; when the Bills arrived at maturity, they would not be paid in coin; and by a short cut the nation would get rid of cash payments.

It is just possible that the propounders of this transparent and not very honest device may have been misled by their inability to comprehend the real nature of the functions performed by the London Money Dealers. They see that the great houses in Lombard Street are enabled to carry on a Discount Business far exceeding in magnitude that of the Bank of England, and during most periods at lower rates of interest; and they see also that these great houses derive the whole of their profit from a very small margin between the rate they charge to those to whom they lend; and the rate they allow to those from whom they borrow.

In an Appendix (XI. page 584, *et seq.*) I have stated with some care the nature of the machinery by which the System of the Bill Brokers is sustained in such continuous and perfect action; and I need not, therefore, enter into any description here.

But the difference between the system of the Bill Brokers and the system proposed by the Credit Mobilier, is the whole difference between *Distribution* and *Creation.*

The houses in Lombard Street are merely the agents by whom the surplus capital of one part of the country, and of one class of the community, is distributed to other parts of the country, and among other classes of the community; the agent himself adding nothing to the volume of capital which passes through his hands.

The Credit Mobilier, on the contrary, propose to exchange their own small promissory notes

against the large promissory notes of other persons; and to give the small promissory notes the attributes of a Circulating Medium.

In the case of the Bill Brokers, the whole operation is one of Capital; in the case of M. Isaac Pereire and his colleagues, the whole operation, so long as it might be suffered to exist, would be a scandalous revival of the manifold attempts to obtain the use of capital on cheap terms by abuses of Credit, which always have had, and always must have, the single result of national bankruptcy and ruin.

It does not appear, however, that up to the present time, any considerable progress has been made by the Credit Mobilier in the issue of its long-dated Obligations. It is probable, indeed, that all, or nearly all, the funds obtained by the institution, over and above its own paid-up capital, have been obtained in the form of Deposits, or as they are set forth, somewhat incorrectly, as "Current Accounts," meaning, it is to be presumed, balances, or deposits, at credit of certain accounts opened with the establishment by the public.

In September, 1855, however, a plan was formed for taking that which was intended to be the first step, or the issue of the Obligations.

It was proposed to double the paid-up capital of the concern by issuing 240,000 Debentures, or Bonds, or Obligations of 10*l.* each, and to raise in this mode a further sum of 2,400,000*l.* The Debentures were to be offered, in the first instance, to the shareholders of the Credit Mobilier; and the two half year's dividends to fall due on 1st January, 1856, and 1st July, 1856, were to be accepted in part payment, to the extent of 8*l.*

But the Government became alarmed, and forbade the definitive announcement of the plan. At the third annual meeting of the Credit Mobilier, held on the 23rd April, 1856, the Report presented by M. Isaac Pereire contained a series of elaborate

paragraphs intended to show that very considerable sacrifices had been entailed on France by the interdiction of the project.

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## SECTION 28.

### *Credit Mobilier: — Extent of Actual Operations, 1853-55.*

The accounts published by the Credit Mobilier are exceedingly deficient in fulness of detail, and in explicitness of definition.

But as far as I can ascertain, the following two Tables (Q.) and (R.), present an abstract substantially accurate of the condition of the Society at the close of the three years 1853, '54, and '55.

(Q.) SOCIETY GENERAL of CREDIT MOBILIER (founded at Paris, 18 Nov. '52). — *ABSTRACT STATEMENT of LIABILITIES and ASSETS at 31 Dec. of the Years 1853, '54, and '55.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | | 9 |
|---|---|---|---|---|---|---|---|---|
| | LIABILITIES. | | | ASSETS. | | | | |
| 31 Dec. | Paid-up Capital. | Deposits or Current Accounts. | TOTAL. | Rentes and Railway Shares. | Bonds and Debentures. | Placements. | Prêts sur Reports. | TOTAL. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1853 | 2·26 | 2·63 | 4·90 | ·62 | ·87 | 1·51 | 1·82 | 4·82 |
| '54 | 2·40 | 2·60 | 5·00 | 1·01 | 1·29 | 2·70 | | 5·00 |
| '55 | 2·40 | 4·13 | 6·53 | 4·00 | 1.31 | ·56 | 1·51· | 7·38 |

NOTE. — The four figures at *unit* end are omitted. Thus: — 2·26 represents 2,260,000*l.*

On 31 Dec. '54, the entries in cols. 7. and 8. are not separated, but 2,700,000*l.* appears to be the total of the two combined. — In two of the years there is a difference between the amount of Liabilities and Assets, which the published accounts do not explain. It may arise, perhaps, from some mode of dealing with the Profit and Loss accounts. — The Shares are 20*l.* each, all paid up, and transferable to *bearer*. — The first term, to 31 Dec. 1853, included the period 18 No$^{v}$· '52, $^{t}$o the end of 1853.

The next Abstract (R.) presents the Profit and Loss results of the operations carried on by the Society.

(R.) CREDIT MOBILIER. — *STATEMENT of GROSS PROFIT; EXPENSES; and NET PROFITS for each of the periods ended* 31 *Dec.* 1853, '54, *and* '55; *with the Per-Centages on the paid-up Capital.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| YEAR ended 31 Dec. | Gross Profits. | | Expenses. | | NET PROFITS. | |
| | Amount. | Per Centage on Capital. | Amount. | Per Centage on Capital. | Amount. | Per Cent. age on Capital. |
| | Mlns. £ | Per Cent. | Mlns. £ | Per Cent. | Mlns. £ | Per Cent. |
| 1853 | ·30 | 13· | ·08 | 4· | ·22 | 10· |
| '54 | ·41 | 17· | ·10 | 4· | ·31 | 13· |
| '55 | 1·27 | 52· | ·15 | 6· | 1·12 | 47· |

NOTE. — The four figures at *unit* end are omitted: thus, ·30 represents 300,000*l.* — and ·08 represents 80,000*l.* The Dividend for 1855, on each 20*l.* share, all paid, would be very nearly 10*l.* And it has just been seen (page 120.), that in September, 1855, the Council proposed then to anticipate the Dividends of the twelve months, to end with 30 June, 1856, by accepting them as a contribution of 8*l.* towards the Debentures of 10*l.* each, which, in September, 1855, it was proposed to issue.

The two items which composed the Liabilities do not require explanation, for I have said already, that the Deposits or Current Accounts appear to resemble the ordinary lodgments with a Banker at interest.

In the list of Assets, the item (col. 5.) Rentes and Railway Shares may be presumed to represent the Stock and Shares acquired by the Society, either by subscriptions to Public Loans or to new Railway Companies. The item (col. 6.) of Bonds and Obligations, may be considered to include the securities held by the Society for Advances on De-

bentures. The third item (col. 7.), entitled *Placements*, represents, it is understood, the investments of the Society in Trading Companies constituted en commandité: and it is an important circumstance, that even at the end of its third year, no more than half a million should be found to be employed in those Industrial schemes which occupied so large a share in the programme. The fourth item (col. 8.) distinguished as *Prêts sur reports*, represents the amount of funds employed in making Advances on the Bourse to speculators in Stocks and Shares.

The general result is, therefore, that out of 7½ Millions of assets on 31st December, '55, very nearly 7 Millions were employed, either directly or indirectly, in sustaining the price, or promoting the extension, of the negotiable securities arising out of joint stock schemes.

The net profits of 10 and 13 per cent. for the two years 1853 and 1854, were not so large as to excite comment; but the extraordinary dividend of nearly 50 per cent. for 1855, has led to considerable discussion,—and it appears to be ascertained that it arises almost entirely from bold and successful operations on the Bourse; from the possession, in short, by the Credit Mobilier, of an extensive and commanding position in a comparatively limited field of speculative operations.

The first issue in November, 1852, of the Shares of the Credit Mobilier was distinguished by great ingenuity on the part of the original adventures.

The Shares were divided into three series, and the holders of the first series were entitled to the second and third series at *par*. The consequence was, that the fortunate possessors of the *first* series had all the advantage of a limited supply of Shares in a highly excited market; and also of the exaggerated anticipations which were prevalent of

the large premium to be ultimately attained by the Stock of the Society. With 10*l.* paid on the first issue, the market price was for some time 70*l.*, or six hundred per cent. premium.

The following Statement gives the highest and lowest prices, 1852–55: —

(S.) CREDIT MOBILIER. — *HIGHEST and LOWEST PRICES of the 20l. Shares at Paris.*

| Year. | Highest. | Lowest. |
|---|---|---|
| 1852 | 71 —— | 33 —— |
| '53 | 38 on 13 May | 26 on 20 June |
| '54 | 32 „ 25 Oct. | 18 „ 3 April |
| '55 | 66 „ 11 Sep. | 30 „ 20 Feb. |

It will be admitted, that between the extremes indicated by these prices, there is abundant scope for speculative operations.

It is proper, however, that the Credit Mobilier should be allowed to set forth the class of enterprises to which it has applied its vast resources of capital, credit, and skill; and this may be best done by gathering from the third Annual Report, — that of 23rd April, 1856, — an outline of the projects and measures which had occupied the Council to the close of 1855.

The list is somewhat long, but the enumeration is not deficient in novelty.

The Report, then, claims credit for the Society for having subscribed towards the 30 Million French Loan of July, 1855; first, a sum of 10 Millions sterling, and then a further sum of 15 Millions described as "being as well for our account as for that of England and several German States — the first and grand evidence of the resources which international credit must give." Out of the total applications, therefore, for 72 Millions, nearly one-half came from the Credit

Mobilier. The Report rejoices in the fact that the Society did not hasten to sell its allotments, and made only a profit of 51,000*l.* out of these large assistances to public credit.

During 1855, the Society had erected the Western Railway Company by the buying up and consolidation of several old Companies; by the issue of the Society's own Obligations in the place of those cancelled; and by guaranteeing the sale of about One Million sterling of Bonds required by the new Company.

The Society had extended similar advantages to the Eastern Railway Company, and to the Southern Railway.

The Railway from Dole to Salins had been for a long time suspended; and, says the Report, "the "Society has ensured the completion of the works "by making important Advances to the Company, "and purchasing 16,000 Bonds."

For the Austrian Railway Association, the Society had guaranteed the sale of Bonds to the amount of $3\frac{1}{3}$ Millions sterling.

The construction of the Railway from St. Rambert to Grenoble had been undertaken with the addition of several branches; as also had the construction of a series of extensions of the Ardennes Railway.

The Society had undertaken an extensive group of Lines in the Pyrenean Departments.

It had also subscribed largely to two Swiss Railways.

It had taken a large interest in a project for the Canalisation of the Ebro from Saragossa to the sea, preparatory to the concession of a Credit Mobilier Company in Spain.

The Society had bought up all the Omnibuses in Paris, and had formed a General Omnibus Association.

It had also formed a General Maritime Com-

pany, by buying up sixty vessels, sailers and steamers, and had tendered for the Transatlantic Postal Lines to North and South America.

It had bought up all the Gas Companies in Paris, and formed a Central Gas Company.

And, lastly, the Report announces that considerable progress had been made in a negotiation for buying up the principal Salt Works in the South of France.

I do not attempt to follow the Report into the glowing and elaborate disquisitions in which the financial merits and the public importance of each of those operations is displayed. I content myself with a simple enumeration of a series of enterprises probably more gigantic, onerous, and difficult than have ever been undertaken by any mere trading confederacy.

The official document, however, omits altogether one important feature of the system of the Credit Mobilier.

It omits, for example, to point out that it is in no small measure by the aid of the valuable benefits conferred by the Credit Mobilier upon its clients — shareholders, depositors, functionaries, debtors, correspondents, and the infinite crowd which clusters round so brilliant a centre — that it is able to maintain a conspicuous position. These amalgamations of Railways, negotiations of bonds, revivals of old companies, subscriptions to new enterprises, are all accompanied by the creation of premiums and bonuses on the Bourse; and it is to the distribution of the means of grasping some portion of this gambling spoil that the Credit Mobilier is indebted for a large portion of those resources which it so constantly lauds as the new power of Credit.

The success of the Credit Mobilier in France led to the establishment of similar Companies in several parts of Germany.

In the autumn of 1855, a Credit Mobilier was set up at Vienna, under the title of the Commercial and Industrial Bank. The concession is for ninety years, to M. Rothschild, the Princes Schwartzenberg, Furstenberg, and other leading persons. The capital is 10 Millions sterling, in 500,000 shares of 20*l.* each. The Bank may issue its own promissory notes, "not payable at a shorter date than a year," to the extent of 50 Millions sterling. The enunciation of the objects to which the Bank may apply itself is of a considerable length, and more sweeping in its clauses than even the statutes of the Paris Society. The shares of the Vienna Bank were sought for by the public with desperate eagerness.

Of the progress of the same speculative fever in other parts of Germany, Mr. Consul-General Ward gives the following statement, contained in a Report, dated at Leipsig in May, 1856: —

"A very active spirit of speculation has manifested itself in northern Germany within the last few months, and the peace with Russia has naturally tended still further to encourage it.

"New railways are everywhere projected, and numerous mining and other industrial companies are being formed. According to an Estimate lately made out, and certainly not overrated, the capital required for the various new commercial undertakings started in Germany, including the German dominions of Austria, is about 350,000,000 dollars, or about 52,000,000 pounds sterling. In Saxony alone, above 30 new coal-mining associations have lately been established for working newly discovered beds of coal, chiefly in the district of which Zwickau is the centre.

"But the favourite enterprises of the day are Credit Institutions, or banks, upon the plan of the French Credit Mobilier.

"The first was started successfully at Vienna, and it has been followed by the formation of similar institutions at Berlin, Leipzig, Bremen, Meiningen, Dessau, and other places. The Leipzig Credit Institution has begun with a subscribed capital of 10,000,000 dollars (say 1,500,000*l.*), which is to be hereafter increased to 20,000,000 dollars. Its business, according to the charter, is to consist not only in making loans, and in discount-

ing bills, but in carrying on industrial and other undertakings on its own account, or in partnership with other persons. It is thus empowered to take a very wide range of speculation; and the projectors being mercantile men of respectable character, the confidence of the public in the success of the undertaking has been such as to exceed all belief.

"The original capital of 10,000,000 dollars was, by the prospectus, to be thus appropriated: —

| | | |
|---|---|---|
| The Saxon Government - | 1 | Million Dollars |
| The Projectors - - | $2\frac{1}{3}$ | „ |
| Leipzig and Dresden - | $3\frac{1}{3}$ | „ |
| Foreign Countries - | $3\frac{1}{3}$ | „ |
| | 10 | |

"On the day of subscription, it resulted that, in Leipzig and Dresden alone 455,347,000 Dollars were subscribed; consequently the directors were obliged to allot the shares by way of dividend only, and the subscribers did not obtain 1 per cent. of the Shares subscribed for, although the Government, under the circumstances, relinquished its claim to the million which it had reserved for itself. This extraordinary confidence of the public, however, had the effect of raising the 100 Dollar shares to more than 119 Dollars per share; and, up to this time (May, '56), the managers have not announced in what particular speculations they are about to engage; but they will, of course, not confine their business to that of mere lending and discounting; for in that case the Institution would offer no advantages beyond those possessed by an ordinary bank.

"The shares in the Credit Institutions, founded at other places, were competed for almost as eagerly as at Leipzig; and the subscribers obtained only an allotment of a very small portion of the amount subscribed for. The Prussian Government has lately taken alarm at the increase of the general passion for speculation, and has prohibited, by an Ordinance, dated the 26th March last, the establishment of any more Credit Mobilier Companies in the Prussian dominions. The Governments of Bavaria and of Hanover also refused their assent to the proposals made to them for starting similar institutions in those states respectively.

"Considering the state of the currency in Germany, and the excessive circulation of paper notes, it certainly does seem that the spirit of speculation at present afloat requires to be carefully watched and controlled by the Governments; and it can hardly excite surprise that, at Berlin, as in Paris, the public transaction of business on the exchange in foreign shares, loans, &c. should have been strictly prohibited, although the private transaction of such business cannot in any case be prevented by the authorities."

And not only has there been this inordinate disposition to set up Credit Institutions in Germany, but there has been a disposition quite as inordinate to set up New Banks of the ordinary joint stock description.

Projects for Banks have been very numerous, throughout the latter part of 1855 and the first nine months of 1856, over the whole of Germany — not merely in the large commercial centres of Hamburgh, Frankfort, Berlin, Vienna, and Leipsig — but in a great number of the inferior and remote towns. In Switzerland and Sardinia a similar tendency has been manifested. It is probable that Fifty Millions sterling would not equal the aggregate amount of Capital which these classes of Banking and Credit Institutions have taken formal and serious steps for obtaining, during the next two or three years, by calls from their shareholders; and this very large sum is quite irrespective of the engagements for new railways, and other public works.

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*Conclusions*

## SECTION 29.

*Conclusions arising out of the preceding Inquiry relative to the Finances and Credit Institutions of France.*

The following appear to be the principal Conclusions, which are fully justified by the statements and evidence contained in the preceding inquiry in this Sixth Part, viz.: —

(1.) That the Revolution of Feb. 1848, occurred at a period when, by the operation of numerous causes, the Finances of the French Government were already seriously embarrassed: — that among the most important of these causes were the Laws of 1841 and 1842, under which the State had taken upon itself the responsibilities and the expenditure entailed by the construction throughout France of an extensive network of Trunk Lines of Railway; the unproductive expenditure for a long series of years of large annual sums in Algeria; the unproductive expenditure of considerable sums on Public Works yielding no adequate return either direct or indirect; and the maintenance for a long period of an excessive annual outlay on the Army and Marine:—and that, in immediate aggravation of all these causes of financial disorder, there had occurred in France, in the closing months of 1846 and throughout the greater part of 1847, a commercial crisis, (taking its origin in the serious failure of the Harvest of 1846,) more severe and

disastrous than had been experienced in France for twenty or thirty years.

(2.) That the Suspension of Cash Payments by the Bank of France, adopted in March, 1848, and maintained for two years and a half, till August, 1850, was a measure wholly unavoidable in consequence of the prevalence, in March, 1848, of extreme internal discredit, which admitted of being met in no other form: — that the prevalence during these two and a half years of a very low price of Corn in France; of a state of the External Trade of France, which established a large yearly balance in favour of that country; and of the absence of any political causes which rendered it necessary for the Government to require excessive advances from the Bank of France; rendered the Suspension practically unproductive of any depreciation or inconvenience; and led to its removal in August, 1850, by the spontaneous accumulation in the Bank of France of an amount of Treasure quite equal to the amount of Notes in Circulation.

(3.) That among the important circumstances which have contributed to strengthen the position of the Bank of France since 1848; and to aid the Government in its plans for fostering Credit; has been the extension, by 12 or 14 Millions sterling, of the disposable means of the Bank of France in consequence of the addition of that amount in the form of Small Notes to the former average Circulation of the establishment.

(4.) That under the Autocratic Government established in December, 1851, there have been introduced into France a set of financial principles;

and there have been placed in course of trial a series of financial experiments;—distinguished by a novelty which finds no sanction in any successful precedent; by a hardihood which sets at nought almost every established canon of finance; and by a disregard of the future which purchases present popularity at any cost.

(5.) That the earliest purposes to which the New Financial Policy was devoted, were the reduction, in March, 1852, of the interest on the French Five per Cent. Debt; the imposition, on the Bank of France, of a New Charter, which compelled it, at once, to lower the rate of discount to 3 per cent. and to make large advances on Stock Exchange securities; the concession, on conditions more or less onerous to the State, of a large number of Lines of Railway; and the introduction of several joint-stock companies, encouraged by every State appliance to foster the application of Credit to purposes of Speculation.

(6.) That between the early part of 1852, and the autumn of 1853, the prosperity and progress which seemed to prevail in France were chiefly the result of these artificial measures.

(7.) That the difficulties of various kinds which have occurred in France since the close of 1853; and more especially the difficulties experienced by the Bank of France in the autumns of 1855 and 1856; have arisen, in a principal degree—allowing of course, for the War and the Scarcity—from the embarrassments and disorders, entailed by the policy which has forced upon France enterprises and speculations disproportionate to its resources of available capital.

(8.) That those embarrassments and disorders would have become altogether overwhelming if it had not been for the springing up, since 1849, chiefly in the Gold Countries, and in consequence of the Gold Influx; of a demand for French manufactures and produce, so large and continuous, that, during the Nine Years 1848–56, the Balance of Trade in favour of France has amounted to not much less than 80 *Millions* sterling.

(9.) That neither the apparent success of the Reduction of the French Five per Cents. in March, 1852; — nor the apparent success for some time of the enforced maintenance of a Low Rate of discount; — nor the setting up of popular Discount and Loan Banks; — nor the apparent alacrity with which the Subscription Lists of the War Loans of 60 Millions were filled up; — nor the maintenance for a long period of the schemes for selling Bread at an artificially cheap price; — nor the multiplication of Railway Companies by means of guaranteed dividends; — nor the apparent prosperity created by Public Works and Credit Institutions; — afford the smallest support, when examined minutely and fully, to the financial principles and the financial practices, which have held the supreme place in France since December, 1851.

(10.) That of the two great Credit Institutions, called the Credit Foncier, and the Credit Mobilier, the former is directed to an useful and laudable object, but is degraded and disfigured by the introduction of elements of gambling, empirical and pernicious; — and the latter, the Credit Mobilier, seeking to obtain large profits by exciting violent fits of Stock Jobbing; and to obtain large funds by

the issue of Obligations practically not payable in specie; approaches in design and machinery nearer than any institution of recent times to the model afforded by Law's Bank of 1716, and the Compagnie des Indes of the three following years.

(11.) That, as the result of the whole investigation concerning the Financial Policy of France since 1847, there have been made apparent three principal facts; namely: — First, that, between 1847 and 1851, it was the abundant Harvests and low price of food in France which contributed in the largest degree to preserve order, to restore Cash Payments, and to re-establish an equilibrium between the income and expenditure: — Second, that between 1851 and 1857 it has been the 100 Millions sterling made available to France by the economy of its Metallic Circulation, and by the demand for its Silks and Wines in the Gold Countries, which has so far carried it through the perils of War, Scarcity, and Extravagance :—and Third, that the reckless and socialistic Financial Policy introduced since December, 1851, has already exposed France to failures and perils quite as formidable as any that were threatened by the Revolution of 1848; and, unless subjected to early and severe restraints, will assuredly produce the most disastrous consequences.

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# PART VII.

## ON THE ORDER, EXTENT, AND CHARACTER OF THE CHANGES WHICH HAVE BEEN PRODUCED DURING THE NINE YEARS 1848-56, BY THE NEW SUPPLIES OF GOLD FROM CALIFORNIA AND AUSTRALIA.

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### SECTION 1.

### *Introduction.*

IT has appeared very plainly in the course of the investigations which occupy the preceding portions of these Volumes, relative to the General Course of Trade and Markets since 1848;—relative to the effects of Railways;—of Free Trade;—relative to Changes in our own Money Market;—and to the consequences which have flowed from the Financial Policy adopted in France;—that the Influence of the New Supplies of Gold, year by year, has been probably that particular Cause, or train of Causes, which has modified, in the most powerful degree, the Economical and Commercial History of the last Nine Years.

It has been, not by accident, but by settled design, that the consideration of the Effects of the New Gold, as a separate and special topic, has been deferred to the last place in this Inquiry; and has been reserved and kept back until there had been placed before the reader a full statement of the facts connected with those other New and Powerful Agencies which have grown up into gigantic dimensions since 1846.

There is considerable danger, perhaps, that even

in our own case, we may have been led, by the mere process of concentrating the attention for a long period upon a particular class of phenomena, to attach undue importance to the operation of that particular Cause of the active operation of which we have found everywhere the most striking evidence.

The New Gold is but one of the several Causes which, during the last Ten Years, have exercised a profound and beneficial effect in contributing to the material prosperity of this and other countries.

The rapid increase of Railways in every part of the World; the improvements in the navigation and speed of Ships; the rapid spread of Population into new and fertile regions; the quick succession of important discoveries in practical Science, and the ceaseless activity with which they are applied to increase the efficiency of all Mechanical appliances; and, perhaps more powerful than all, the setting free of the enterprise, the industry, and the ingenuity of some of the leading commercial States by the adoption more or less completely of principles of Free Trade;—all are Causes which singly and conjointly have assisted to accelerate the rate of progress. We direct attention to these qualifying circumstances in this place, as probably the most convenient mode of intimating that, if in the course of the following Sections we may seem to ascribe certain consequences too exclusively to the action of the New Gold, it must not be hastily supposed that we ignore or undervalue the effects produced by the general train of Causes of which the New Gold is merely one.

There seem to be four principal questions connected with the New Phenomena of the Gold Influx;—two of them involving answers almost wholly of fact; and two of them involving answers which call for the application of some of the most abstruse doctrines of Political Economy.

The questions of Fact relate;—first, to the actual

order and nature of the changes which were produced by the Influx of Gold and Silver in the Sixteenth and Seventeenth Centuries;—and, second, to the actual order and nature of the changes which have been produced by the Californian and Australian Supplies of the last Nine Years.

The first of these questions has been treated at length in the Inquiry which constitutes the Second of the Appendices; and the second has been also treated at length in the first seven sections of this concluding Part, and in those other portions of the Appendix to which references will be found.

The questions of Principle relate,—first, to the manner in which the New Gold leads to the creation, throughout some period of greater or less duration, of yearly additions to the quantity of Real Wealth in the World, and not merely to barren increments of the volume of metallic money;—and, second, to the manner in which the New Gold becomes apportioned among the commercial countries of the World, and gradually accomplishes a rise of Incomes, and through Incomes, a permanent rise of Prices.

These two questions are discussed in the latter portion of this Seventh Part.

It would be presumptuous to suppose that, in the treatment of topics which have already exercised the minds of several of the most eminent authorities in Economical Science, there has been included, within the range of this investigation, all the points essential to a true judgment: or that error has been wholly avoided in the attempt to explain phenomena actually occurring around us, by the application of principles previously established by general reasoning.

But whatever may be the real value of the conclusions which seem to be justified by the evidence now collected;—whether that evidence be in the form of data resting on the solid basis of recorded

observations,—or whether it be in the form of deductions built up from premises apparently sound and adequate;—it has been sought, in this Division of the Work, as in all the rest, to afford, in the fullest sense, to others, the means and opportunities for forming an independent judgment on the true merits of the several questions.

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## SECTION 2.

*Statement of Questions which it is necessary to answer preliminary to the General Inquiry.*

There are Seven Questions to which it is necessary to obtain answers as precise as possible before any serious attempt can be made to estimate, with accuracy, the changes produced by the Discoveries of 1848 and 1851.

These questions, stated in their order, relate to —

(1.) The Quantity of Gold and Silver existing in various forms in Europe and America — that is to say, in the principal commercial countries of the World—at the close of 1848, or immediately prior to the appearance of the large additions to the former annual supplies of the Precious Metals; and also the Quantity of Gold and Silver existing at some date prior to 1848.

(2.) The Average Annual Production of Gold and Silver in the different parts of the World, at the same date, 1848; and also at a prior date — and the most appropriate date to be chosen will be the opening year (1800) of the present century.

(3.) The Total Produce, year by year, since 1848, of the Gold Regions in California and Australia.

(4.) The Total Coinage of Gold and Silver, year by year, since 1848, in England, France, and the United States.

(5.) The Per-Centage Ratio, year by year, since 1848, of the annual Supplies of New Gold to the Total Stock of Gold existing in Europe and America at the commencement of each Year.

(6.) The exhibition, in a form which admits of ready and careful scrutiny, of the facts connected with the general course of the Prices of Commodities since 1848.

And (7.) lastly, The determination, upon evidence as far as possible adequate, of the degree in which the Wages of Labour in this country have been increased or diminished during the last six or seven years.

The inquiry, under the first head, as to the Quantity of Gold and Silver existing in 1803 and 1848, is confined to the Commercial Countries of the World, as represented by Europe and America, for two reasons: First, because any estimate of the quantities existing in Asia and Africa would be pure conjectures; and second, because the circumstances connected with the trade and population of even the most accessible portions of those continents are of a nature entirely exceptional when contrasted with the commercial States of the West. The inquiry also embraces the quantity of Gold and Silver existing in *various forms*, also for two reasons; viz. — first, because it is impossible to ascertain the quantity of Coin; and second, because a continual transposition is going on of Gold and Silver from the form of Coin into Plate, and from the form of Plate into Coin.

We will now endeavour to furnish answers to the Seven Preliminary Questions just proposed.

In 1851 Mr. Danson, the coadjutor who contributed towards the preparation of the Fourth Volume of this Work, and whose name is also con-

nected with one of the most important Appendices (App. VII.) of the Present Volumes, laid before the Statistical Society * a Memoir of considerable research, in which he successfully applied several corrections of moment to the numerical results contained in the celebrated work by Humboldt, entitled a Political Essay on the Kingdom of New Spain.

This Memoir by Mr. Danson may be considered to contain the most accurate statement at present accessible of the conclusions justified by a careful examination of the authentic evidence relating to the production of Gold and Silver in America during the Period from 1492 to 1848; and in the following statement (A.), we accordingly adopt Mr. Danson's results in the First (I.) division of the Statement relative to the New World.

The figures in the Second (II.) division, referring to Europe and Africa, have been obtained by a collation of many authorities. The work by M. Chevalier (La Monnaie), already referred to so often in these volumes, has afforded most valuable aid.

The results arrived at thirty years ago by Mr. Jacob, as those results are reduced into numerical form in a subsequent page (App. II., vi. 368. *seq.*), have not been overlooked; but it has been clearly ascertained that in many respects Mr. Jacob's estimate in 1829, of the quantity of Gold and Silver remaining in Europe and America, is considerably below the truth.

* The Memoir is entitled, "Of the Quantity of Gold and Silver supposed to have passed from America to Europe from the Discovery of the former Country to the present (1848) Time," and is printed in the Statistical Journal for 1851, vol. xiv. pp. 11—44.

(A.) GOLD AND SILVER, 1492, 1803, 1848.—*ESTIMATED STATEMENT of the PRODUCTION and APPLICATION, and of the QUANTITIES in EXISTENCE in various Forms in Europe and America at the Three Periods given.*

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| GOLD. | | STATEMENT. | SILVER. | |
| 1803. | 1848. | | 1848. | 1803. |
| Mlns. £ | Mlns. £ | (I.) NEW WORLD. | Mlns. £ | Mlns. £ |
| 291 | 433 | (1.) Total Quantity of Gold and Silver obtained in North and South America during the 311 years from 1492 to 1803;—and during the 346 years from 1492 to 1848. | 1080 | 831 |
| 1 | 3 | (2.) *Deduct* for Wear and Tear and Casualties on Stock of Gold and Silver in use in *North and South America*, say ¼ per cent. per ann. 1492—1803; and ¾ per cent. per ann. 1803—1848. | 20 | 7 |
| 290 | 430 | | 1060 | 824 |
| 3 | 5 | (3.) *Deduct further* for Quantities of Gold and Silver sent from North and South America *elsewhere* than to Europe since 1492. | 40 | 24 |
| 287 | 425 | (4.) *Leaves*, as existing in various forms, in 1803 and 1848, in Europe and North and South America, of Gold and Silver, the Produce of North and South America since 1492. | 1020 | 800 |

[*Forward*

TABLE (A.) — *continued.*

| GOLD. | | STATEMENT. | SILVER. | |
|---|---|---|---|---|
| 1803. | 1848. | | 1848. | 1803. |
| 287 | 425 | *Forward* | 1020 | 800 |
| | | (II.) EUROPE AND AFRICA. | | |
| 80 | 170 | (5.) Total Quantity of Gold and Silver obtained in the Ancient World—that is to say, in Europe (including Russia) and certain parts of Northern Africa, during the 311 years from 1492 to 1811, and during the 356 years from 1492 to 1848. | 90 | 60 |
| 12 | 12 | (6.) *Add* for Quantity of Gold and Silver assumed to be in existence in the Ancient World (as above) in various forms in the year 1492. | 28 | 28 |
| 379 | 607 | | 1138 | 888 |
| 25 | 47 | (7.) *Deduct* for Loss by Wear and Tear and Casualties in Ancient World; and for quantities sent from Ancient World to Asia (after allowing for the partial reflux at various periods from Asia) during the period 1492—1848. | 338 | 250 |
| 354 | 560 | (8.) FINAL RESULT — *as regards quantity of Gold and Silver in various forms existing in America and Europe in (say) Dec.* 1803 *and Dec.* 1848. | 800 | 638 |

The general result of this Table (A.) exhibits —

560 Millions of Gold
800 " *Silver*

as existing in various forms in Europe and America in 1848.

And it appears that those amounts were no less as regards —

Gold than 58 per cent.
*Silver* " 25 "

*beyond* the amounts similarly existing in 1803.

That is to say, the extensions in the requirements for Gold and Silver during the forty-five years 1803–48, had been sufficiently rapid to absorb a total addition of 206 Millions to the quantity of Gold; and a total addition of 162 Millions to the quantity of Silver.

It appears, further, that, including the whole of the 356 years 1492—1848 (and adding the estimated stock *in* 1492), as regards —

Gold, — out of 615 Millions produced, *only* 55 Millions, or *one eleventh* part, had disappeared in 1848 by Loss, Wear, and Exports to Asia:

Silver, — out of 1198 Millions produced, *as much* as 398 Millions, or *one third* part, had disappeared in 1848, from the operation of the same causes.

These proportions seem to justify the inference that, throughout extended periods of time, Silver disappears from the commercial countries of the West *four times* more rapidly than Gold; or, what comes to the same thing, that in those countries, additions to the stock of Gold are operative, as regards mere quantity, four times longer than additions to the stock of Silver.

The next Table (B.), exhibiting the annual production of Gold and Silver in 1800 and 1848, has been compiled almost entirely from M. Chevalier.

(B.) TOTAL ANNUAL PRODUCTION OF GOLD AND SILVER IN THE YEARS 1800 AND 1848. — *ESTIMATED STATEMENT of the TOTAL ANNUAL PRODUCTION in all Parts of the World at the Dates given.*

| 1 | 2 | | | |
|---|---|---|---|---|
| GOLD. | | | SILVER. | |
| 1800. | 1848. | (I.) | 1848. | 1800. |
| Mlns. £ | Mlns. £ | THE PRODUCE OF:— | Mlns. £ | Mlns. £ |
| 1·92 | 2·10 | North and South America - | 6·20 | 7·00 |
| ·15 | ·36 | Europe, excluding Russia - | 1·32 | ·56 |
| ·10 | 4·10 | Russia (European & Asiatic) | ·20 | ·20 |
| ·28 | ·55 | Continent of Africa - - | – | – |
| ·65<br>·18 | 3·00 | Archipelago of Asia<br>Various other sources | 1·00 | ·10 |
| 3·28 | 10·11 | *Total Produce* | 8·72 | 7·86 |
| | | (II.) | | |
| Equal to 0·93 *per cent.* on the 354 mlns. of *Gold* in 1803. | Equal to 1·80 *per cent.* on the 560 mlns. of *Gold* in 1848. | PER-CENTAGE PROPORTION of the Produce in 1800 and 1848 on the Total Quantities of Gold and Silver existing at those Dates in *various forms* in Europe and America | Equal to 1·10 *per cent.* on the 800 mlns. of *Silver* in 1848. | Equal to 1·23 *per cent.* on the 638 mlns. of *Silver* in 1803. |

NOTE. — The *four* figures at the *unit* end are omitted: — thus, 1·92 represents 1,920,000*l.*

Details will be found in Appendix XXVI. pages 763–4. relative to the Estimated Produce of 12 Millions of Silver in 1856; and also relative to the production of Silver in the various countries of America.

The most important features appearing in this Table (B.) are:—(1.) The *trebling* of the Annual Production of *Gold* between 1800 and 1848, in consequence of the fertility of the Mines in Russia and Asia; and, (2.) The very small increase between 1800 and 1848, in the Annual Production of *Silver*.

In 1800 the Annual Production of Gold (3·28 Millions) was only equal to 0·93 *per cent.* on the Total Quantity (354 Millions) of Gold then existing in Europe and America.

In 1848 the Production of *Gold* had risen to 1·80 *per cent.* on the very much larger Total Stock (560 Millions) of Gold then existing.

The Per-Centages representing the Annual Production of *Silver fell* from 1·23 *per cent.* in 1800, to 1·10 *per cent.* in 1848; but in 1856 it seems to be ascertained (see App. XXVI. page 764. *seq.*) that the Annual Production of Silver has risen from 8½ Millions in 1848, to 12 Millions in 1856.

The general inference from these two Statements (A.) and (B.) appears to be:—

That between 1800 and 1848 the extension of trade, population, and enterprise, in Europe and America, was so rapid as wholly to absorb a total quantity of New Gold equal to no less than 58 *per cent.* on the Total Stock of Gold existing in 1800.

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## SECTION 3.

### *Actual Facts of the Nine Years* 1848–56, *as regards the Quantity of New Gold produced.*

Let us now inquire what have been the facts as regards the Nine Years 1848–56.

In the four divisions composing the following Table (C.), I have set forth the Production of Gold, year by year, in California, Victoria, and New South Wales.

The Nine Years divide themselves obviously into two groups.

The first group includes the Three complete years 1849, '50, and '51, and the latter months of 1848; that is to say, from the first decided discovery of Gold on the Sacramento in August, 1848, to the close of the year 1851, about the same month (August) of which the existence of large deposits of Gold was clearly ascertained at Bathurst and its neighbourhood, in the Colony of New South Wales. During, then, the three years (so to say), 1849–51, the Average Annual Supply of Gold from the New Sources was 5½ Millions sterling, or an increase of 50 per cent. on the production (10 Millions) of Gold prior to 1848.

The second group includes the Five Years 1852–56, during which the production in California and Victoria has gradually but steadily increased from 23½ Millions in 1852, to 29½ Millions in 1856; the average annual produce being 26 Millions.

As far as can be judged from present appearances, — and especially as far as can be inferred from the apparent facility and apparent profits of the Crushing of Quartz by machinery *,—the annual production of New Gold seems to be more likely to increase than to diminish.

The quantities in Cols. 2. 7. 11. and 16. in the following Table (C.), are the ascertained *Exports* of each year. Beyond these Exports it has been ascertained that, by including a marginal addition of 10 per cent., we shall approximate very closely to the real *production* of each year, taking a series of years one with another.

* In Apps. XXX. and XXXII. details will be found of the actual result of Quartz Mining both in Victoria and California.

## (C.) NEW GOLD.—*NINE YEARS*, 1848-56.—*PRODUCTION in CALIFORNIA, VICTORIA, and NEW SOUTH WALES.*

### (I.) TOTALS.—CALIFORNIA AND AUSTRALIA COMBINED.

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| *Quantity* in Ounces Troy. | YEARS. | PRODUCE. | | |
| | | Ascertained Exports. | Marginal Addition of 10 per Cent. | Value of TOTAL PRODUCE. |
| *Ounces.* | | £ | £ | £ |
| 460, | 1848–9 | 1,612, | 161, | 1,773, |
| 1,430, | 1850 | 5,000, | 500, | 5,500, |
| 2,617, | '51 | 9,158, | 916, | 10,074, |
| 6,123, | 1852 | 21,435, | 2,143, | 23,578, |
| 6,555, | '53 | 22,945, | 2,294, | 25,239, |
| 6,607, | '54 | 23,128, | 2,312, | 25,440, |
| 7,119, | '55 | 24,913, | 2,491, | 27,404, |
| 7,642, | '56 | 26,743, | 2,674, | 29,417, |
| 38,553, | *Totals.* | 134,934, | 13,491, | 148,425, |

### (II.) CALIFORNIA.

| 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|
| *Quantity* in Ounces Troy. | YEARS. | PRODUCE. | | |
| | | Ascertained Exports. | Marginal Addition of 10 per Cent. | Value of TOTAL PRODUCE. |
| *Ounces.* | | £ | £ | £ |
| 460, | 1848–9 | 1,612, | 161, | 1,773, |
| 1,430, | 1850 | 5,000, | 500, | 5,500, |
| 2,357, | '51 | 8,250, | 825, | 9,075, |
| 3,343, | 1852 | 11,700, | 1,170, | 12,870, |
| 3,571, | '53 | 12,500, | 1,250, | 13,750, |
| 4,029, | '54 | 14,100, | 1,410, | 15,510, |
| 3,830, | '55 | 13,400, | 1,340, | 14,740, |
| 4,000, | '56 | 14,000, | 1,400, | 15,400, |
| 23,020, | *Totals.* | 80,562, | 8,056, | 88,618, |

## (III.) VICTORIA.

| 11 | 12 | 13 | 14 | 15 |
|---|---|---|---|---|
| *Quantity* in Ounces Troy. | YEARS. | PRODUCE. | | |
| | | Ascertained Exports. | Marginal Addition of 10 per Cent. | Value of TOTAL PRODUCE. |
| *Ounces.* | | £ | £ | £ |
| – | 1848–9 | – | – | – |
| – | 1850 | – | – | – |
| 126, | '51 | 440, | 44, | 484, |
| 1,750, | 1852 | 6,135, | 613, | 6,748, |
| 2,475, | '53 | 8,664, | 866, | 9,530, |
| 2,360, | '54 | 8,255, | 825, | 9,080, |
| 3,230, | '55 | 11,303, | 1,130, | 12,433, |
| 3,613, | '56 | 12,643, | 1,264, | 13,907, |
| 13,554, | *Totals.* | 47,440, | 4,742, | 52,182, |

## (IV.) NEW SOUTH WALES.

| 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|
| *Quantity* in Ounces Troy. | YEARS. | PRODUCE. | | |
| | | Ascertained Exports. | Marginal Addition of 10 per Cent. | Value of TOTAL PRODUCE. |
| *Ounces.* | | £ | £ | £ |
| – | 1848–9 | – | – | – |
| – | 1850 | – | – | – |
| 134, | '51 | 468, | 47, | 515, |
| 1,028, | 1852 | 3,600, | 360, | 3,960, |
| 509, | '53 | 1,781, | 178, | 1,959, |
| 220, | '54 | 773, | 77, | 850, |
| 59, | '55 | 210, | 21, | 231, |
| 29, | '56 | 100, | 10, | 110, |
| 1,979, | *Totals.* | 6,932, | 693, | 7,625, |

NOTE.—The *three* unit figures are omitted: thus 1,612, represents 1,612,000*l.*

The figures in the preceding Table (C.) are chiefly obtained from the Economist of 24th January, 1857. We had prepared, with considerable care, a statement to the close of 1855, the general result of which did not differ materially from the figures in the Economist. We are quite willing, however, to adopt the statement of that Journal on the faith of the representation made to the effect that the tables of the 24th January, 1857, were almost wholly founded on official papers.

By the aid of the three Statements (A.), (B.), and (C.)*, we have obtained the means of measuring, year by year since 1848, the increase which has taken place in the *proportion* borne by the Production of Gold in each year to the Total Quantity of Gold existing in various forms at the commencement of each year; and we shall find, as we proceed, that upon a somewhat careful determination of this *Annual Proportion or Per-Centage*, the practical effect of much of our subsequent reasoning will in a great measure depend.

We will, therefore, in the first place, insert the following Table (D.), and then point out the nature of the further light it affords: †—

* The Ounces Troy in Cols. 5. 10. 14. and 19. of the preceding Table (C.) are taken at 77*s.* per ounce, or 3·85*l.* When the production is spoken of in terms of *Weight*, the unit of the *Ounce Troy* should be always adopted.

Of the 3,960,000*l.* appearing as the Produce of New South Wales in 1852, a very considerable part (say 3 Millions) was the produce of *Victoria*, but happened to be exported from Sydney.

† In the next Table (D.) there is given the extent of the Produce of Gold in Russia during the Twelve Years 1837–48, namely, 26,440,000*l.*; and there is also given the Per-Centage (4·7 per cent.) of that amount on the 560 Millions; but, as will be seen, the 26,440,000*l.* is not included in the computations of the Table for the period 1849–56.

(D.) *SUPPLIES of GOLD from CALIFORNIA and AUSTRALIA during the Nine Years* 1848–56; *and from RUSSIA, during the Twenty Years* 1837–56;—*With cols. of the Per-Centage RATIO of the PRODUCTION of each Country in each Year, on the Estimated TOTAL AMOUNT of GOLD at the beginning of Each Year, assuming that in* 1848 *the Total Estimated Quantity of Gold in Europe and America was* 560 *Millions Sterling.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| TOTALS. | | YEARS. | CALIFORNIA. | | VICTORIA. | | NEW SOUTH WALES. | | RUSSIA. | |
| Amount. | *Ratio.* | | Amount. | *Ratio.* | Amount. | *Ratio.* | Amount. | *Ratio.* | Amount. | *Ratio.* |
| Mins. £ | p. ct. | | Mins. £ | p. ct. | Mins. £ | p. ct. | Mins. £ | p. ct. | Mins. £ | p. ct. |
| – | – | 1837–48 | – | – | – | – | – | – | 26·44 | 4·7 |
| 5·42 | 1·0 | 1849 | 1·77 | 0·3 | – | – | – | – | 3·65 | 0·6 |
| 8·89 | 1·6 | '50 | 5·50 | 1·0 | – | – | – | – | 3·39 | 0·6 |
| 13·52 | 2·4 | '51 | 9·07 | 1·6 | 0·48 | – | 0·51 | – | 3·46 | 0·6 |
| 27·83 | 5·0 | (1849–51) | 16·34 | 2·9 | 0·48 | – | 0·51 | – | 10·50 | 1·8 |
| 27·03 | 4·6 | 1852 | 12·87 | 2·2 | 6·74 | 1·1 | 3·96 | 0·6 | 3·46 | 0·5 |
| 28·08 | 4·5 | '53 | 13·76 | 2·8 | 9·53 | 1·5 | 1·95 | 0·3 | 2·84 | 0·4 |
| 28·28 | 4·4 | '54 | 15·51 | 2·4 | 9·08 | 1·4 | 0·85 | 0·1 | 2·84 | 0·4 |
| 30·24 | 4·5 | 1855 | 14·74 | 2·2 | 12·43 | 2·0 | 0·23 | – | 2·84 | 0·4 |
| 32·25 | 4·6 | '56 | 15·40 | 2·2 | 13·90 | 2·0 | 0·11 | – | 2·84 | 0·4 |
| 145·88 | 22·6 | (1852–56) | 72·28 | 11·3 | 51·68 | 8·0 | 7·10 | 1·0 | 14·82 | 2·1 |
| 173·71 | 27·6 | *Gen. Totals.* | 88·62 | 14·2 | 52·16 | 8·0 | 7·61 | 1·0 | 25·32 | 3·9 |

NOTE.—The four figures at unit end are omitted: thus, 5·42 represents 5,420,000*l.*

The Per-Centage cols. 2. 5. 7. 9. and 11. are to be read as follows:—The Total Production of 1849 was (col. 1.) 5,420,000*l.*; and that amount was equal to 1·0 per cent. on 560 Millions sterling, the Total estimated quantity of Gold in Europe and America in 1848. Again, the production in 1851 was 13,520,000*l.*, or equal to 2·4 per cent. in 574 Millions (that is, 560+5·42+8·89=574), the estimated total amount at the close of 1850.

The Per-Centages, therefore, show, year by year, the Ratio of each year's production in *each* country, and in all the countries *combined*, on the Total Estimated Quantity at the opening of each year.

We have seen that, at the close of 1848, the Total Stock of Gold may be assumed to have been 560 Millions. The Total Production of Gold from the New Sources has been, during the Nine Years 1848–56, as much as 174 Millions; that is to say, equal to 31 *per cent.* on the stock (560 Millions) existing at the commencement of this new epoch.

But to measure each year's New Production against the Total Stock in 1848, would be a fallacious proceeding, inasmuch as the produce of each year — the 32 Millions in 1856 for example — is brought into contact, not with a stationary but with a yearly increasing total quantity. Hence the importance of attaching to the statements of the Annual Production a series of Per-Centages framed on the principle adopted (cols. 2. 5. 7. 9. and 11.) in the preceding Table (D.).

Measured in this mode, we find that the 174 Millions of New Gold does not in reality represent a proportion (31 *per cent.*) of very nearly *one third* of the quantity already in existence; but represents a proportion (27·6 *per cent.*) more nearly approaching *one fourth.* And descending from the general results to the details of particular years, we find that, while a production of 27 Millions in 1852 was equal to 4·6 *per cent.* on the Total Stock at the close of 1851, — a production of 32¼ Millions (5¼ Millions more) in 1856 was still only equal to the same 4·6 *per cent.* on the Total Stock at the close of 1855.

In other words — assuming any given annual production, say 30 Millions a year — the rapid augmentation year by year of the Total Stock, reduces

** It has been seen, Table (B.), that the Production in 1848 was, say 10 Millions; but of that 10 Millions, 4 Millions came from Russia, leaving only 6 Millions from other sources. Hence, in the reasoning in the text, it has been considered the simplest course to adhere to the figures included in Table (D.). In strictness, however, the Totals in col. 1. of Table (D.) should be *increased* each year by 6 Millions. The produce in Russia *is* included (cols. 10. & 11.) in Table (D.).

progressively the ratio of each year's production to the Total Quantity with which it is brought into contact.

And this inference is something more than a mere arithmetical consequence. For as the additions to the Total Stock operate in a great degree by virtue of *quantity*, it follows, that the effect of a yearly addition of any given amount (say 30 Millions) will pursue, not an ascending, but a descending progression. An amount of 30 Millions, for example, is equal to 5 *per cent.* on a Total Stock of 600 Millions; but is equal to no more than 3 *per cent.* on a Total Stock of 1000 Millions. It is possible to suppose such an extension of trade and enterprise as should absorb for several years an annual new supply of 30 Millions of Gold; but an increased demand for Gold, arising in such a mode, would operate at least in two ways in counteracting any tendency to depreciation in the relative value of Gold by reason of a long series of large annual additions. In the first place, the extension of trade and enterprise year by year would depend in a great measure upon the facilities to be afforded by a large annual production of Gold; and the constant extension of the surface to be affected, and the constant increase in the depth of the channels to be filled by the yearly influx, would reduce year by year the disturbing power of any given supply. In the second place, the increase of the Total Stock, and the increasing annual loss by wear and tear upon that Total Stock, would render less and less powerful, by reason of quantity, any given amount of annual production.

In the consideration in a subsequent part of this Volume (App. II., page 412. *seq.*, and see also page 365. *seq.*) of the effect of the influx of Gold and Silver subsequent to 1492, we have endeavoured to show the importance of the element of Loss by

Wear and Tear *, operating year by year on a continually increasing Total Stock. To take, for example, the two amounts of 600 Millions and 1000 Millions, already assumed in the preceding page,—and computing the annual loss by wear and tear at one quarter per cent., — the deduction for Wear and Tear on the 600 Millions would be 1½ Millions per annum: but on the 1000 Millions the deduction from the same causes would be 2½ Millions per annum. And as the magnitude of this deduction would increase with every addition to the Total Stock, the proportion of any given annual supply applicable to general purposes would progressively decrease.

We must not hastily assume that the case here suggested of a ready absorption for several years of a large additional influx of Gold; and of the creation in some principal degree by means of that large additional influx of an extension of trade and enterprise, which enlarges almost indefinitely the capacity for absorbing further supplies; is altogether imaginary.

It is probable that we shall find, as we proceed with the inquiry, that a train of causes not very dissimilar have been actually at work during the last five or six years; and is at the present really at the root of most of the striking social and commercial changes occurring around us.

The conclusion, then, at which we now arrive is, shortly: —

That the Total Stock of Gold in various forms in Europe and America at the close of 1848 was 560 Millions sterling; and that the *aggregate* of the annual additions to that Total Stock from California, Australia, and Russia, during the Eight

* It is true that the familiar and expressive phrase "Wear and *Tear*" does not strictly apply to any metallic substance; but the slight inaccuracy of the expression is more than compensated by the definite meaning it suggests.

Years 1849–56, have been 174 Millions sterling, or equal (as already explained) to an addition of about 27 *per cent.*

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## SECTION 4.

*Statement of some of the principal Modes in which the Supplies of New Gold, 1848–56, have been applied.*

This 174 Millions being the extent of the New Supplies since 1848, the next and very obvious inquiry relates to the manner in which it has been disposed of: and as the principal reply to this inquiry we have the following statement (E.) of the Coinage of Gold and Silver since 1847 in England, France, and the United States.

(E.) *COINAGE of GOLD and SILVER—Nine Years, 1848–56—at the Mints of Great Britain, France, and the United States.*

(I.) GOLD COINAGE.

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| TOTAL COINAGE. | YEARS. | ENGLAND. | FRANCE. | UNITED STATES. |
| £ | | £ | £ | £ |
| 4,807, | 1848 | 2,452, | 1,600, | 755, |
| 5,058, | '49 | 2,178, | 1,080, | 1,800, |
| 12,492, | '50 | 1,492, | 4,600, | 6,400, |
| 26,523, | '51 | 4,400, | 9,600, | 12,523, |
| 48,880, | (1848–51) | 10,522, | 16,880, | 21,478, |
| 21,152, | 1852 | 8,742, | 1,040, | 11,370, |
| 36,195, | '53 | 11,952, | 13,200, | 11,043, |
| 35,052, | '54 | 4,152, | 20,480, | 10,420, |
| 33,658, | '55 | 9,008, | 16,417, | 8,233, |
| 32,336, | '56 | 6,002, | 20,334, | 6,000, |
| 158,393, | (1852–56) | 39,856, | 71,471, | 47,066, |
| 207,273, | *Gen. Totals.* | 50,378, | 88,351, | 68,544, |

(II.) SILVER COINAGE.

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| TOTAL COINAGE | YEARS. | ENGLAND. | FRANCE. | UNITED STATES. |
| £ | | £ | £ | £ |
| 4,483, | 1848 | 35, | 4,040, | 408, |
| 7,903, | '49 | 120, | 7,360, | 423, |
| 3,622, | '50 | 129, | 3,120, | 373, |
| 2,603, | '51 | 88, | 2,360, | 155, |
| 18,611, | (1848–51) | 372, | 16,880, | 1,359, |
| 3,230, | 1852 | 190, | 2,840, | 200, |
| 3,316, | '53 | 701, | 800, | 1,815, |
| 1,944, | '54 | 140, | 80, | 1,724, |
| 1,637, | '55 | 195, | 862, | 580, |
| 3,131, | '56 | 462, | 2,169, | 500, |
| 13,258, | (1852–56) | 1,688, | 6,751, | 4,819, |
| 31,869, | *Gen. Totals.* | 2,060, | 23,631, | 6,178, |

NOTE.—The *three* unit figures are omitted: thus, 2,452, represents 2,452,000*l.*

The statements of the Coinage at the Royal Mint are from the Official Returns.—The statement of the French Coinage is taken from the Economist of 24th Jan. '57.—The United States Coinage is compiled from Hunt's (New York) Merchants' Magazine for July, '56.—The figures for United States Coinages to the year 1856, are partly estimates.

The Total Gold Coinage in the three countries since 1849 has been 202 Millions:—the Total New Supplies of Gold have been 174 Millions; the Coinage, therefore, has exceeded the supplies to the extent of 28 Millions.

That difference of 28 Millions, and some other considerable amount which we can only measure by uncertain estimates, have been drawn, not from any new annual supplies of Gold, but from accumulations of Gold existing in various forms prior to 1849. To some extent there has been a *re*-coinage in each country of pieces withdrawn for

various reasons from circulation*:—to a larger extent there has been a transposition of Gold Coinage from one country to another;—and to some extent there has been a conversion of plate into coin.

It is sufficient in this place for me to refer the reader to the separate Appendices, in which I have considered at length some of the more important questions relative to the real increase of the Metallic Circulation of several parts of the commercial world during the last nine or ten years.

In Appendix XXII. (page 696. *seq.*) an attempt has been made to arrive, by means of authentic data, at positive conclusions on the subject of the increase in the quantity of Gold Coin circulating in the United Kingdom. In Appendix XXIV. (page 736. *seq.*) the same course has been followed as regards the United States; in Appendix XXIII. (page 722. *seq.*) as regards India; and in Appendix XXVII. (page 772.) as regards Australia — and we have, by design, removed into these Appendices the somewhat intricate discussions they contain, for the purpose of relieving this general part of the argument from the interruption of a mass of details in their nature collateral.

Combining, therefore, the evidence as to the Coinage of Gold furnished by the last Table (E.) with the conclusions which seem to be fairly justified by the separate investigations referred to, the following Estimate may be adopted, viz.:—

* For example, the very large coinage of 7¼ Millions of Silver in France in 1849 arose from the re-mintagé of an immense quantity of Coin bearing regal effigies, in order to issue it with the Republican device and legend.

(F.) *ESTIMATE of the EXTENT to which the 174 Millions of NEW GOLD (Nine Years) 1848–56, have been absorbed in the Gold Circulation of various Countries.*

| | | | |
|---|---|---|---|
| New Supplies of Gold 1848–56 - - - | | | 174 Mlns. |
| Addition to Gold Circulation: — | | | |
| Of United Kingdom - - | 20 Mlns. | | |
| „ France - - - - | 60 „ | | |
| „ United States - - - | 50 „ | | |
| | 130 | | |
| Of Australian Colonies - - | 10 „ | | |
| „ California - - - - | 10 „ | | |
| „ Turkey, and East of Europe | 10 „ | | |
| „ Brazil, Egypt, and Portugal | 10 „ | | |
| | | 170 | „ |
| Leaving unaccounted for - | | 4 | „ |

In France the 60 Millions of Gold Coinage has been, to a considerable extent, in substitution of Silver Coinage withdrawn by the purchases in this country for Eastern remittance; and by exports from France to Germany and the North of Europe, exports which there is reason to believe have been since 1854 of great magnitude.

In the United States the 50 Millions of Gold Coinage has been partly in supercession of local circulations of Bank Notes; and also in supercession of the employment in North America of a great variety of the Gold Coins of Foreign Countries.

In the United Kingdom the 20 Millions of Gold Coinage may be regarded as representing almost altogether an enlarged requirement for metallic circulation, as the result of enlarged transactions. And the same observation certainly applies to Australia and California; and to Brazil, Egypt, and Portugal.

The 10 Millions of Gold assigned in the Estimate to Turkey and the East of Europe was drawn thither

primarily by the circumstances of the Russian War: but, as far as can be ascertained, the 10 Millions have been absorbed by the secret hoards, or by the actual circulation of the countries over which they were diffused by the expenditure of the Troops and the Commissariat.

Looking at the whole of the facts, we may adopt with confidence the following conclusion, namely:—

That during the Nine Years 1848–56, by additions of Gold Coin, the Metallic Circulation of the leading portions of the Commercial World has been increased to the extent of about *One Third*, or say about 30 *per cent.*

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## SECTION 5.

### *Investigations relative to the actual Course of Prices in London during the Six Years* 1851–56.

Then what has been the effect on Prices of this increase by One Third in the quantity of Metallic Money?

The question must be answered in the only form in which it can be specifically and satisfactorily met, namely:—by directing the attention of the reader to the following Table (G.) of the Prices in London and Manchester, during the six years 1851–56, of *Fifty-Five* of the most important commodities Consumed as Food or employed as Raw Materials of Manufacture.*

The record commences with *January*, 1851; and it is necessary to bear in mind that at the opening of 1851 the prices of a large class of Commodities were unusually high, and that during the year (1851) a serious and extensive reaction from these High Prices took place.

* No kind of *Grain* is introduced into the Table, for the obvious reason that in the Corn Market the variation of the seasons is the most powerful cause of fluctuation of Price.

The description given in a former part of these volumes (v. 259. and 263.) of the commercial experience of 1851 is as follows: "The year 1851 "opened with fair prospects. Prices of Colonial "Produce were firm and rising, but, as the "year advanced, difficulties began to accumulate "in the markets for Produce. Throughout July, "August, and September, there was great de- "pression. Prices had failed to correspond with "the expectations formed in the early part of 1851, "and had fallen considerably, instead of having "risen; and bankruptcies were numerous and of "serious character. * * As the general result "of 1851 it was found, at the close of the year, that "in almost every branch of trade and manufac- "ture, the Range of Prices was *lower* than had pre- "vailed for a very long period."

Contrasting, therefore, the *earliest* (Jan. '51) and *latest* (Feb. '57) date of the Table, the record takes its origin from a point when Prices in a large class of cases were *High*.

The fifty-five articles in the Table have been divided into Six Groups, viz.:—

(1.) Colonial and Tropical Produce.
(2.) Provisions and Butchers' Meat.
(3.) Raw Materials of Manufacture.
(4.) Metals of Various Kinds.
(5.) Manchester Markets.
(6.) London Building Trades.

And to this series has been added a Seventh Group of observations relative to the Bank Note Circulation and the Rate of Interest.*

* The Prices have been taken as near as possible to the 1st of each of the months of January, April, July, and October, and have been almost wholly obtained from the weekly Prices Current contained in the Economist. The Tables of Prices of Commodities in Appendix VII. (page 489. *seq.*) continue to the present time the record of Prices according to the *form* adopted in the early Volumes of the History of Prices; and the details in Appendix VII., taken in combination with the contents of Table (G.) above, may be considered, perhaps, as fairly exhausting this part of the subject.

(G.) (I.) COLONIAL AND TROPICAL PRODUCE (FOOD).

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| DATES. | COFFEE, Jamaica, fine ord. to mid. (*in bond.*) | SUGAR. British Plantation, yellow, (*in bond.*) | SUGAR. Bengal, good yellow (*in bond.*) | RUM, Jamaica, 15 to 25 O. P. (*in bond.*) | TEA, Congou, com. to mid. (*in bond.*) | TOBACCO Virginia leaf, (*in bond.*) |
| | per cwt. | per cwt. | per cwt. | per gall. | per lb. | per lb. |
| **1851.** | *s.* *s.* *d.* | *s.* *d.* *s.* *d.* | *s.* *d.* *s.* *d.* | *s.* *d.* *s.* *d.* | *d.* *d.* | *d.* *d.* |
| Jan. - | 53 @ 58 - | 26 - @ 28 - | 34 6 @ 46 - | 2 6 @ 2 8 | 12 @ 12¼ | 4½ @ 10 |
| July - | 43 . 46 - | 23 - . 24 - | 32 - . 43 - | „ | 10¼ . - | „ |
| **'52.** | | | | | | |
| Jan. - | 44 . 47 6 | 18 - . 21 - | 26 - . 40 - | 2 2 . 2 4 | 7 . 9 | 2½ . 7½ |
| July - | 43 . 46 6 | 17 - . 21 - | 25 - . 39 - | 2 - . 2 2 | 6½ . 8½ | 2½ . 6 |
| Oct. - | 47 . 56 - | 19 - . 22 - | 27 - . 32 - | „ | 8 . 8½ | 2½ . 7 |
| **'53.** | | | | | | |
| Jan. - | 48 . 59 - | 21 - . 25 - | „ | 2 8 . 2 10 | 10½ . - | „ |
| Apl. - | 50 . 58 - | 22 - . 25 6 | „ | „ | „ | „ |
| July - | „ | 20 - . 23 - | 27 - . 31 - | „ | 11 . 12 | 2½ . 7½ |
| Oct. - | „ | 20 6 . 23 6 | 28 6 . 32 - | 3 4 . 3 8 | 11¼ . 11¾ | „ |
| **'54.** | | | | | | |
| Jan. - | 53 . 60 - | 21 6 . 25 - | „ | 3 6 . 3 10 | 14 . 14½ | 2½ . 8 |
| Apl. - | 52 . 60 - | „ | 28 - . 31 - | 5 - . 5 6 | 11 . 13½ | „ |
| July - | 50 . 58 - | 18 6 . 21 6 | 26 - . 28 6 | 3 - . 3 4 | 11 . 12 | „ |
| Oct. - | „ | 17 - . 20 - | 25 - . 29 - | 3 10 . 4 - | 10½ . 11 | „ |
| **'55.** | | | | | | |
| Jan. - | 49 . 58 - | 17 - . 19 6 | 24 6 . 29 - | 4 2 . 4 8 | 9½ . 11 | 4 . 8½ |
| Apl. - | „ | „ | 24 - . 28 6 | 3 4 . 3 8 | 9 . 9¼ | „ |
| July - | 53 . 61 - | 19 - . 20 6 | 23 6 . 27 - | 3 6 . 3 9 | 8½ . 8¾ | „ |
| Oct. - | 53 . 63 - | 26 - . 29 - | 31 - . 33 - | 3 6 . 3 8 | 9 . 9½ | „ |
| **'56.** | | | | | | |
| Jan. - | 54 . 63 - | 29 - . 32 6 | 33 - . 38 - | 4 - . 4 4 | 9¾ . 10½ | „ |
| Apl. - | „ | 22 6 . 25 - | 27 6 . 33 - | 3 1 . 3 4 | 9½ . 10 | „ |
| July - | 54 . 62 - | 26 - . 28 6 | 31 - . 33 6 | 3 - . 3 3 | „ | „ |
| Oct. - | 56 . 64 - | 27 6 . 30 6 | 33 6 . 36 6 | 3 4 . 3 6 | 9 . 9½ | 4½ . 8¾ |
| **'57.** | | | | | | |
| Feb. - | 58 . 67 | 36 . 40 | 38 . 40 | 3 8 . 3 10 | 13 . - | 8 . 11 |

## (II.) PROVISIONS AND BUTCHER'S MEAT.

| 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|---|---|---|---|---|---|---|---|
| BUTTER, Waterford. | BEEF, American and Canadian. | BUTCHER'S MEAT: NEWGATE MARKET. | | | | | DATES. |
| | | BEEF. | | MUTTON. | | PORK, Large. | |
| | | Inferior Middling. | Prime Large. | Middling. | Prime. | | |
| per cwt. | per tierce. | per 8 lbs. | per 8 lbs. | per 8 lbs. | per 8 lbs. | per 8 lbs. | |
| s. s. | s. s. | d. d. | d. d. | d. d. | d. d. | d. d. | **1851.** |
| 78 @ 80 | 75 @ 90 | 28 @ 30 | 32 @ 36 | 34 @ 42 | 44 @ 46 | 30 @ 42 | Jan. |
| 72 . 74 | „ | 30 . 32 | 34 . 36 | 34 . 38 | 42 . 44 | 28 . 40 | July |
| | | | | | | | **'52.** |
| „ | „ | 32 . 34 | 36 . 38 | 38 . 44 | 46 . 48 | 32 . 44 | Jan. |
| 64 . 68 | „ | 32 . 46 | „ | 34 . 40 | 42 . 44 | 30 . 38 | July |
| 74 . 80 | 120 . – | 28 . 30 | 32 . 34 | 36 . 42 | 44 . 50 | 34 . 36 | Oct. |
| | | | | | | | **'53.** |
| 80 . 86 | „ | 32 . 34 | 36 . 38 | 44 . 50 | 52 . 54 | 32 . 50 | Jan. |
| 86 . 90 | 135 . 140 | 36 . 38 | 40 . 42 | 44 . 48 | 50 . 54 | 34 . 40 | Apl. |
| 84 – | „ | 40 . 42 | 42 . 44 | 46 . 50 | 52 . 56 | 40 . 44 | July |
| 94 . 98 | „ | „ | „ | „ | 56 . 58 | 46 . 54 | Oct. |
| | | | | | | | **'54.** |
| 104 . – | „ | 42 . 46 | 48 . 50 | 48 . 54 | „ | 42 . 44 | Jan. |
| „ | „ | 40 . 42 | 46 . 48 | 42 . 48 | 50 . 52 | 40 . 50 | Apl. |
| – | „ | 42 . 44 | „ | 44 . 50 | 50 . 56 | 40 . 48 | July |
| – | „ | „ | 46 . 50 | „ | 52 . 56 | 40 . 50 | Oct. |
| | | | | | | | **'55.** |
| 104 . – | „ | „ | 46 . 48 | 44 . 48 | 50 . 52 | 36 . 44 | Jan. |
| 96 . 100 | 155 . 160 | 40 . 42 | 44 . 46 | 44 . 46 | 48 . 54 | „ | Apl. |
| 100 – | „ | 42 . 44 | 46 . 48 | 44 . 50 | 52 . 56 | 40 . 44 | July |
| 102 – | „ | 44 . 46 | 48 . 50 | 46 . 48 | 50 . 56 | 44 . 50 | Oct. |
| | | | | | | | **'56.** |
| 104 . 108 | „ | 42 . 44 | 46 . 48 | 44 . 48 | 50 . 54 | 46 . 52 | Jan. |
| 102 . 106 | „ | 40 . 42 | 44 . 48 | 42 . 48 | 38 . 54 | 38 . 46 | Apl. |
| 104 . – | „ | 42 . 44 | 46 . 50 | 46 . 54 | 56 . 60 | 42 . 50 | July |
| 100 . 102 | 160 . – | 40 . 42 | 44 . 46 | 44 . 50 | 52 . 56 | 42 . 48 | Oct. |
| | | | | | | | **'57.** |
| 112 . – | „ | 40 . 46 | 48 . 50 | 48 . 52 | 54 . 58 | 44 . 52 | Feb. |

(III.) RAW MATERIALS

| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|
| DATES. | COTTON, Bowed Georgia. | SILK (Raw), Cossimbuzar. | FLAX, Riga, P. T. R. | HEMP, St. Petersburg, Clean Raw. | WOOL: English South Down. | WOOL: South Australian, Combs. |
| | per lb. | per lb. | per ton. | per ton. | per 240 lbs. | per lb. |
| **1851.** | *d.* *d.* | *s.* *d.* *s.* *d.* | £ £ | £ | £ | *d.* *d.* |
| Jan. - | 7½ @ 8 | 9 – @ 17 6 | 38 @ 46 | 30 | 14 | 13 @ 22 |
| July - | 5½ . 6 | 9 – . 18 – | 42 . 48 | „ | 14½ | 10 . 16 |
| **'52.** | | | | | | |
| Jan. - | 5 . 6 | 9 6 . 14 6 | „ | 31 | 13¾ | 13 . 17 |
| July - | 5¼ . 5⅞ | 10 6 . 15 – | 42 . 53 | 30 | 15 | 12 . 24 |
| Oct. - | 5⅝ . 6¼ | „ | „ | 30½ | 16¼ | „ |
| **'53.** | | | Friesland. | | | |
| Jan. - | 5 . 6 | „ | „ | 39 | 17¼ | 15 . 20 |
| Apl. - | 5½ . 6¼ | 12 – . 15 6 | 42 . 55 | „ | 19 | „ |
| July - | 5½ . 6½ | „ | „ | 35½ | 19¼ | „ |
| Oct. - | 5½ . 6⅜ | 13 – . 17 – | – | 36 | 17 @ 17½ | „ |
| **'54.** | | | | | | |
| Jan. - | „ | 12 6 . 16 6 | 35 . 52 | 36 @ 39 | 15½ . 16 | 9 . 16 |
| Apl. - | – | 11 6 . 16 6 | „ | 75 | 15 . 15½ | 12 . 19 |
| July - | 5¼ . 6¼ | 9 6 . 16 6 | „ | 63 | 12 . 12½ | 19 . – |
| Oct. - | „ | 9 6 . 15 6 | 50 . 65 | 60 | 14 . 14½ | 12 . 22 |
| **'55.** | | | | | | |
| Jan. - | 5½ . 6 | „ | „ | 58 @ 62 | 12½ . 13½ | 11½ . 24 |
| Apl. - | 4½ . 5½ | 9 6 . 14 – | „ | 44 | 12½ . 13 | „ |
| July - | 5½ . 6¾ | 9 6 . 15 – | „ | 47 | 14 . 15 | „ |
| Oct. - | „ | 11 – . 16 – | „ | 44 | 15 . 16 | 12 . 26 |
| **'56.** | | | | | | |
| Jan. - | 5 . 6¼ | „ | „ | 44 | 14½ . 15 | 12 . 31 |
| Apl. - | 5¼ . 6½ | 12 – . 17 – | „ | 33 | 17 . 18 | 12 . 26 |
| July - | 5½ . 6¾ | 11 6 . 14 – | „ | 31 | 17½ . 18 | 18 . 26 |
| Oct. - | 5 . 7½ | 17 – . 26 – | „ | 34 | 18 . 19 | 13 . 26½ |
| **'57.** | | | | | | |
| Feb. - | 6 . 7½ | 16 – . 25 – | 52 | 37 | 20 | „ |

OF MANUFACTURE.

| 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
|---|---|---|---|---|---|---|---|
| (SHEEP'S). | | DYES. | | OILS. | | | |
| South Australian, Lambs'. | South Australian, Locks. | Logwood, Jamaica. | Indigo, Bengal. | Seal. | Olive, Gallipoli. | Palm. | DATES. |
| per lb. | per lb. | per ton. | per lb. | p. 252 galls. | per ton. | per ton. | |
| d. d. | d. d. | s. s. | s. d. s. d. | £ | £ | £ | **1851.** |
| 16 @ 19 | 10 @ 14 | 70 @ 80 | 3 – @ 6 10 | 37 | 43 | 29 | Jan. |
| 13 . 19 | 6 . 13 | 65 . 70 | 2 9 . 6 6 | 31 | 39 | 28 | July |
| | | | | | | | **'52.** |
| 11 . 18 | 6 . 16 | „ | 2 6 . 6 3 | 33 | 43 | 27 | Jan. |
| 15 . 24 | 10 . 19 | „ | 3 – . 6 2 | 35 | 46 | 28½ | July |
| 11 . 21 | 6 . 17 | 60 . 70 | 4 – . 6 6 | 34¼ | 55 | 32 | Oct. |
| | | | | | | | **'53.** |
| 14 . 20 | 7 . 17 | 80 . 85 | 4 6 . 7 5 | 35½ | 59½ | 34½ | Jan. |
| „ | „ | 105 . 110 | 5 3 . 7 5 | 35 | 70 | 33½ | Apl. |
| 17 . – | „ | „ | 4 9 . 7 8 | 33½ | 71 | 36 | July |
| „ | „ | 100 . 105 | 5 3 . 8 2 | 35 | 66 | 40 | Oct. |
| | | | | | | | **'54.** |
| 12 . 19 | 10 . 13 | 110 . – | 5 – . 8 – | 43 | 63 | 43 | Jan. |
| „ | 7 . 15 | 142 . 150 | 4 9 . 7 3 | „ | 64 | 50 | Apl. |
| „ | „ | „ | „ | 42 | 55 | 47 | July |
| 12 . 22 | 6 . 12½ | 130 . – | „ | 41½ | „ | 46½ | Oct. |
| | | | | | | | **'55.** |
| 13 . 25 | 7 . 15 | „ | 3 6 . 7 6 | 47½ | 57 | 48 | Jan. |
| „ | „ | „ | 1 1 . 7 – | 52½ | 56 | 38 | Apl. |
| „ | „ | 90 . 95 | 1 3 . 7 – | 53 | 56½ | 41 | July |
| 14 . 27 | 8 . 16 | 100 . 103 | 1 – . 7 – | 54½ | „ | „ | Oct. |
| | | | | | | | **'56.** |
| 15 . 30 | 18 . 20 | 110 | 1 – . 7 6 | 57 | 54 | 48½ | Jan. |
| 14 . 27 | 8 . 16 | 135 | 1 6 . 7 6 | 54 | 52 | 38 | Apl. |
| 15½ . 26 | 8 . 18½ | „ | 1 – . 7 7 | 48½ | 47 | „ | July |
| 12 . 24 | 8 . 18 | „ | 1 – . 7 5 | „ | 55 | 45 | Oct. |
| | | | | | | | **'57.** |
| „ | „ | 110 | 1 – . 7 9 | 50 | 61 | 47 | Feb. |

## RAW MATERIALS (*continued*).

| 31 | 32 | 33 | 34 | 35 | 36 | 37 |
|---|---|---|---|---|---|---|
| DATES. | TIMBER. Dantzic and Memel. | TIMBER. Canadian Yellow Pine. | TALLOW, St. Petersburg, 1st y. c. | LEATHER, English Butts. 28 to 36. | SALTPETRE, Rough. | ASHES, Canadian Pearl. |
| | per load. | per load. | per cwt. | per lb. | per cwt. | per cwt. |
| **1851** | *s.* *s.* | *s.* *s.* | *s.* *d.* | *d.* *d.* | *s.* *d.* *s.* *d.* | *s.* *d.* *s.* *d.* |
| Jan. - | 60 @ 70 | 55 @ 60 | 36 6 | 12 @ 23 | 27 6 @ 29 6 | 30 6 @ 31 - |
| July - | 50 . 65 | 50 . 60 | 37 6 | „ | 25 - . 28 6 | „ |
| **'52.** | | | | | | |
| Jan. - | 45 . 60 | 50 . 70 | 37 - | „ | „ | 28 - . 28 6 |
| July . | 52 . 65 | 70 . 80 | 38 - | 12 . 21 | „ | 27 6 . 28 - |
| Oct. - | 57 . 70 | „ | 42 - | „ | 24 - . 29 - | „ |
| **'53.** | | | | | | |
| Jan. - | 67 . 77 | 70 . 85 | 45 - | „ | „ | „ |
| Apl. - | 67 . 80 | „ | „ | 13 . 22 | 24 - . 30 - | 28 - . 28 6 |
| July - | 72 . 80 | „ | 49 - | 14 . 22 | 24 - . 28 - | „ |
| Oct. - | 80 . 90 | 75 . 90 | 58 - | 16 . 23 | 25 - . 30 - | „ |
| **'54.** | | | | | | |
| Jan. - | 70 . 95 | 80 . 90 | 60 - | 15 . 20 | 27 - . 31 - | 29 |
| Apl. - | 65 . 95 | 90 . 130 | 70 - | 15 . 22 | 46 - . 50 - | 30 |
| July - | „ | 75 . 130 | 64 - | „ | 28 - . 35 - | - |
| Oct. - | 70 . 95 | 70 . 95 | 62 9 | „ | 22 6 . 27 - | - |
| **'55.** | | | | | | First Sort Pot, U. S. |
| Jan. - | 80 . 95 | 65 . 95 | 64 6 | „ | 21 6 . 29 - | 33 6 @ 34 - |
| Apl. - | 75 . 95 | 60 . 85 | 48 - | „ | 22 6 . 28 9 | 33 - . 33 6 |
| July - | 65 . 93 | 55 . 65 | 52 - | „ | 22 6 . 31 6 | 34 |
| Oct. - | 67 . 90 | 60 . 70 | 55 - | „ | 25 - . 42 - | „ |
| **'56.** | | | | | | |
| Jan. - | 70 . 90 | 72 . 80 | 68 - | 16 . 26 | 31 - . 39 - | 45 - @ 46 - |
| Apl. - | 65 . 85 | „ | 47 - | 16 . 25 | 31 - . 37 6 | 48 - . 49 - |
| July - | 60 . 80 | 75 . 80 | 46 - | 17 . 25 | 28 - . 32 - | 42 |
| Oct. - | 60 . 85 | 75 . 85 | 52 6 | 17 . 28 | 30 - . 34 - | 49 |
| **'57.** | | | | | | |
| Feb. - | 65 . 85 | 80 . 95 | C 62 | 24 . 31 | 37 - . 46 - | 45 |

## (IV.) METALS.

| 38 | 39 | 40 | 41 | 42 | 43 | 44 |
|---|---|---|---|---|---|---|
| COPPER, Tough Cake. | IRON. | | LEAD, English Pig. | STEEL, Swedish. | TIN, English Bars. | DATES. |
| | British Bars. | Swedish, (*in bond.*) | | | | |
| per ton. | per ton. | per ton. | per ton. | per ton. | per ton. | |
| £ | £ | £ | £ | £ | £ | **1851.** |
| 84 | 5¾ @ 6 | 11¾ | 17½ | 15 | 84 | Jan. |
| " | 5½ | " | 17 | " | 85 | July |
| | | | | | | **'52.** |
| 88½ | 5 | " | " | " | 90 | Jan. |
| 98 | 5½ | " | 17½ | " | 88 | July |
| 102½ | 7¾ | 11 | 18 | 15½ | 97 | Oct. |
| | | | | | | **'53.** |
| " | 9½ | 11¼ | 24 | 20 | 103 | Jan. |
| 135 | " | 11½ | 25 | " | 123 | Apl. |
| 107½ | " | " | 24½ | 17 | 108 | July |
| " | 9 | 12 | 21½ @ 22 | 16½ | 123 | Oct. |
| | | | | | | **'54.** |
| 126 | 9¼ | 12½ | 23½ | " | 126 | Jan. |
| " | 10 | " | 25 | " | 131 | Apl. |
| " | 10½ | " | " | 17½ | 120 | July |
| " | " | " | 23 | " | 114 | Oct. |
| | | | | | | **'55.** |
| " | 8½ | " | " | " | 117 | Jan. |
| " | 7¾ | 13½ | 22 | 18 | 111 | Apl. |
| " | 8¾ | 14 | 22½ | " | 115 | July |
| " | 9½ | 14½ | 24 @ 25 | 18½ | 124 | Oct. |
| | | | | | | **'56.** |
| " | 9 | 18 | 26 . – | 20½ | 127 | Jan. |
| " | 9 | 16 | 26½ . 27 | 23 | 130 | Apl. |
| 107½ | 9 | " | 25 . 26½ | 20½ | 134 | July |
| " | 9 | " | 23¾ . 24½ | " | 132 | Oct. |
| | | | | | | **'57.** |
| 135 | " | 15 | 23 | " | 143 | Feb. |

(V.) MANCHESTER MARKETS. (VI.) LONDON

| 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 |
|---|---|---|---|---|---|---|---|---|
| DATES. | RAW COTTON. | | | YARN, | COTTON CLOTHS. | | BRICKS, | STONE, |
| | Upland, fair. | Upland, good fair. | Pernambuco, fair. | Mule 40, fair 2nd quality. | Printer's 26-in., 66 reeds, 29 yds. 4 lbs. 2 oz. | Gold End Shirtings, 40-in., 66 reeds, 37½ yds. 8 lbs. 12 oz. | Stock, (ex duty.) | Yorkshire. |
| | per lb. | per lb. | per lb. | | | | per 1000. | per 100 ft. |
| **1851.** | *d.* | *d.* | *d.* | *d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* |
| Jan. - | 7⅞ | 8 | 8⅝ | 12½ | 5 2 | 10 10½ | 27 6 | 58 – |
| July - | 5¾ | 6⅛ | 7 | 9⅞ | 4 3 | 8 9 | ,, | ,, |
| **'52.** | | | | | | | | |
| Jan. - | 4⅞ | 3 | 6⅛ | 9 | 4 4½ | ,, | 32 – | ,, |
| July - | 5⅞ | 6⅛ | 7 | 9¾ | 4 6 | 9 1½ | 35 – | 65 – |
| Oct. - | 6⅛ | 6⅜ | 7⅛ | 10⅜ | 5 – | 9 4½ | 44 – | ,, |
| **'53.** | | | | | | | | |
| Jan. - | 5¾ | 6 | 6¾ | 9⅞ | ,, | 9 7½ | 46 – | 66 – |
| Apl. - | 6¼ | 6⅛ | ,, | ,, | 4 10½ | 9 6 | ,, | ,, |
| July - | 6½ | 6⅜ | 7 | 10¼ | 5 – | ,, | 42 – | 62 6 |
| Oct. - | 6¼ | 6½ | 7¼ | 9½ | ,, | 9 3 | 40 – | ,, |
| **'54.** | | | | | | | | |
| Jan. - | 6⅜ | 6½ | ,, | ,, | 4 9 | ,, | ,, | ,, |
| Apl. - | 6⅛ | 6⅜ | 7 | 8⅞ | 4 7½ | 8 10½ | 38 – | ,, |
| July - | 6¼ | 6½ | 6⅞ | 9¼ | ,, | ,, | 31 – | ,, |
| Oct. - | 6 | 6¼ | 6¾ | ,, | 4 4½ | 8 9 | 32 – | ,, |
| **'55.** | | | | | | | | |
| Jan. - | 5⅜ | 5⅜ | 6⅜ | 8¾ | 4 1½ | 8 – | 31 – | 66 – |
| Apl. - | 5⅝ | 5¾ | 6⅝ | 9¼ | ,, | ,, | ,, | 66 6 |
| July - | 7 | 7⅛ | 7½ | 9¾ | 4 6 | 8 6 | 29 6 | ,, |
| Oct. - | 6¼ | 6¾ | 6½ | 9⅜ | ,, | 8 3 | ,, | ,, |
| **'56.** | | | | | | | | |
| Jan. - | 5⅞ | 6 | ,, | 9¼ | 4 4½ | 8 4½ | 28 6 | ,, |
| Apl. - | 6¼ | 6⅝ | 6⅝ | 9⅞ | 4 6 | 8 7½ | ,, | ,, |
| July - | 6⅝ | 6⅞ | 7 | 10 | 4 7½ | 8 9 | ,, | ,, |
| Oct. - | 6¾ | 7 | 7¼ | 10⅜ | 4 9 | ,, | ,, | ,, |
| **'57.** | | | | | | | | |
| Feb. - | 7¾ | 7⅞ | 8 | 11⅝ | 5 3 | 8 4½ | ,, | ,, |

BUILDING TRADES. (VII.) CIRCULATION AND RATE OF INTEREST.

| 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 |
|---|---|---|---|---|---|---|---|
| LIME, Grey. | Daily Wages of Bricklayers, Masons, and Carpenters. | BANK NOTE CIRCULATION. | | | RATE OF INTEREST. | | DATES. |
| | | Bank of England. | Country Banks, Great Britain. | Total. | Bank of England Minimum. | Lombard Street. | |
| per yard. | | Mlns. | Mlns. | Mlns. | per cent. | per cent. | |
| s. d. | s. d. | £ | £ | £ | | | **1851.** |
| 10 – | 5 – | 20·3 | 9·5 | 29·8 | 3 | 2¾ | Jan. |
| ,, | ,, | 20·7 | 9·3 | 30·0 | ,, | ,, | July |
| | | | | | | | **'52.** |
| 9 6 | ,, | 20·5 | 9·5 | 30·0 | 2½ | 2 @ 2¼ | Jan. |
| ,, | ,, | 23·6 | 9·5 | 33·1 | 2 | 1½ . 2 | July |
| 10 – | ,, | 23·6 | 9·8 | 33·4 | ,, | ,, | Oct. |
| | | | | | | | **'53.** |
| 11 – | ,, | 24·4 | 10·4 | 34·8 | 2½ | 2½ . 3 | Jan. |
| 10 – | ,, | 23·7 | 10·5 | 34·2 | 3 | 3 . 3½ | Apl. |
| ,, | 5 6 | 24·2 | 10·5 | 34·7 | 3½ | 3½ . 4 | July |
| ,, | ,, | 24·2 | 10·7 | 34·9 | 5 | 5 . 5½ | Oct. |
| | | | | | | | **'54.** |
| ,, | ,, | 22·6 | 11·0 | 32·6 | ,, | ,, | Jan. |
| ,, | ,, | 22·8 | 10·8 | 33·6 | ,, | ,, | Apl. |
| 11 6 | ,, | 21·1 | 10·5 | 31·6 | 5½ | ,, | July |
| ,, | ,, | 21·0 | 11·3 | 32·3 | 5 | 4½ . 5 | Oct. |
| | | | | | | | **'55.** |
| 10 – | ,, | 20·6 | 11·1 | 31·7 | ,, | ,, | Jan. |
| ,, | ,, | 20·7 | 10·7 | 31·4 | ,, | ,, | Apl. |
| ,, | ,, | 21·5 | 10·7 | 32·2 | 3½ | 3 . 3½ | July |
| ,, | ,, | 21·3 | 11·6 | 32·9 | 5½ | 5½ . 6 | Oct. |
| | | | | | | | **'56.** |
| ,, | ,, | 20·1 | 11·1 | 31·2 | 6 @ 7 | ,, | Jan. |
| ,, | ,, | 20·6 | 10·7 | 31·3 | ,, | 6 . 6½ | Apl. |
| ,, | ,, | 21·4 | 10·8 | 32·2 | 4½ | 4 . 4½ | July |
| ,, | ,, | 22·0 | 11·5 | 33·5 | 5 @ 6 | 5 . 6 | Oct. |
| | | | | | | | **'57.** |
| ,, | ,, | 20·0 | 11·0 | 31·0 | 6 | 6 . 6½ | Feb. |

In examining the preceding Table the general conclusions at which we arrive seem to be:—

(1.) That in all the Six Groups of Commodities — Provisions and Butchers' Meat alone excepted — there have been considerable fluctuations of Price — fluctuations in many cases sudden and violent — during the six years 1851–56.

(2.) That in the great articles of Colonial and Tropical Produce — Tea, Sugar, Coffee, Tobacco, Raw Cotton, Raw Silk, and Indigo — the Prices at the opening of 1857 are *scarcely higher* than at the opening of 1851 — allowing for the special causes of disturbance in 1857 in the articles of Tea, Sugar, and Raw Silk.

(3.) That in Butchers' Meat and Provisions the rise in price since 1850 has been almost continuous, until in February 1857 the prices then prevalent are in general terms 40 to 50 per cent. *higher* than in January 1851. Of the causes which have specially contributed to this rise of price there is given in Appendix IV. (page 454. *seq.*) a statement of some length.

(4.) That in most of the Raw Materials of Manufacture — Flax, Hemp, Timber, Sheep's Wool, and especially in Oils, Metals, Tallow, and some kinds of Dyes,—there has been a general tendency towards progressive rise throughout the six years, resulting in a range of prices in February 1857, varying from 30 to 60 per cent. on the Prices of January 1851.*

(5.) That in Cotton Manufactures the prices of Yarn and Cloth are, on the whole, *lower* in 1857 than in 1851; and in the case of the superior kinds of Cotton Cloth, there is, in 1857, a *reduction* of about 25 per cent. on the prices of 1851, notwithstanding a closely corresponding cost of Raw

* In connection with these circumstances the details in the Supplementary Chapter of Volume V. (page 640.) should be referred to.

Cotton at the two periods,—the fall of the price of the finished article indicating, it is to be presumed, increased economy in the processes of manufacture.

(6.) That the material — Bricks — principally employed in the London Building Trade, increased in price more than 50 per cent. between January '51 and January '53; but in February 1857 has fallen to a point very nearly the same as that at which it stood at the commencement of the Table. The Wages of Labour, however, in the London Building Trades, rose about 12 per cent. in July 1853, and the advance has been generally maintained.

(7.) That in *all* the cases in which there have been, during the Six Years, either fluctuations of magnitude,—or a marked rise or fall of price,—the changes, in the first instance at least, admit of being explained by purely mercantile reasons relating to Supply and Demand. In the striking instances, for example, of the increased Prices in 1857, as compared with 1851, of a large class of Raw Materials, an explanation is at hand in each case, founded either upon a diminished Supply available to meet an undiminished demand, or a stationary Supply available to meet an enlarged demand:—as regards some of the most important commodities, however — Raw Cotton and Sheep's Wool, Oils and Metals, for example—the immediate cause of the high price consists much more in extension of the Demand than in any failure of Supply.

(8.) That no consistent or appreciable degree of connection can be traced between the variations in Prices, and the variations in the Bank Note Circulation and the Rate of Interest.

If we seek to condense into still more general terms, the conclusions justified by the Course of Prices since 1851, we may say, not perhaps with

perfect accuracy, but at least with so much of accuracy as to render the generalisation admissible:—

First, that the Groups of Commodities which exhibit the most important instances of a Rise of Price are the Raw Materials most extensively used in Manufactures, and the production of which does not admit of rapid extension; and, Second, that the Groups of Commodities in which there is little, if any, rise of price in 1857, as compared with 1851, are articles of Colonial and Tropical Produce, the supply of which drawn from a variety of sources does admit of being considerably and expeditiously enlarged.

We may go a step further, and say that the consumption of Raw Materials in this country in the production of Goods for the Foreign and Home Market has proceeded *faster* than the additions made to the supply of those Raw Materials;—and on the other hand, that, stimulated by a growing and steady demand, the supply of Colonial and Tropical Produce has very nearly *kept pace* with the increasing consumption.

## Section 6.

### *Investigations relative to Alterations in the Rate of Wages*, 1850–56.

If these are the conclusions to which we are led by an examination of the Course of Prices since 1850, what, on the other side of the question, are the conclusions arising from the facts connected with the Wages of Labour in the United Kingdom during the same period?

And to this inquiry we have to return the following answer: —

Among the most valuable of the contributions recently made to our specific knowledge of the degree in which the Wages of Labour in this country have been affected since 1850, is a Paper communicated by my friend Dr. Strang, the City Chamberlain of Glasgow, to the Cheltenham Meeting, in 1856, of the British Association. Dr. Strang's name is familiar as that of an acute and skilful investigator of social phenomena, and his high official position enables him to have access to the best and most ample sources of information relative to the West of Scotland.

Dr. Strang gives to his Paper the title, "On "the money rate of Wages in Glasgow and the "West of Scotland, 1850–56;" and he says that the statements it contains "are based on returns "made to me by some of the leading manufac- "turers, engineers, iron masters, and builders of "Glasgow and the surrounding District. The "figures given are not general estimates, but are "founded on the actual Wages Books of the several "concerns to which they apply."

In the following Table (H.) there has been compiled from Dr. Strang's Paper the average annual Wages in Nine Branches of Employment, during the Period 1850 to 1856: —

(H.) WAGES IN GLASGOW, 1850–56.—*STATEMENT of the WAGES in various TRADES, according to ascertained Averages of the several Years. (Compiled from the Paper by Dr. Strang, the City Chamberlain of Glasgow, communicated to the Cheltenham (1856) Meeting of the British Association.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| | BUILDING. | | | MANUFACTURES, &c. | | | | | |
| YEARS. | Masons, *p. week.* | Carpenters and Joiners, *p. week.* | Common Labourers, *p. week.* | Engineers, *p. day.* | Furnace Keepers, *p. day.* | Quarriers, *p. week.* | Hand Loom Weavers, *p. week.* | Cotton Spinners, *p. week.* | Power Loom Weavers, *p. day.* |
| | *s.* | *s.* | *s.* | *s.* | *s. d.* | *s.* | *s. d.* | *s.* | *s. d.* |
| 1850 | 20 | 21 | 12 | 3·43 | – | – | – | – | – |
| '51 | „ | „ | „ | „ | – | 16 | 5 8 | 21 | 7 3 |
| 1852 | 21 | 22 | „ | 3·52 | 5 0 | „ | 6 9 | – | – |
| '53 | 23 | 23 | 14 | 3·82 | 6 3 | 17 | 7 0 | – | – |
| 1854 | 25 | 24 | 17 | 3·97 | 6 8 | 19 | – | – | – |
| '55 | „ | „ | „ | 3·99 | „ | 20 | – | – | – |
| 1856 | „ | „ | „ | 4·00 | 7 9 | 22 | 7 1 | 20 @ 35 | 8 3 |

NOTE.—The Number of *Hours per Week* worked by Masons, Carpenters, and other artisans employed in the Building Trades was 60 hours, or six days of 10 hours each, with a deduction of 1½ hours per day for meals. Since 1853, the Weekly Time has been reduced to 57 hours.

Engineers and Furnace Keepers work 60 hours per week.

As regards *Hand Loom Weavers*, Dr. Strang gives the average weekly earnings as follows :—

| | *s. d.* | | *s. d.* |
|---|---|---|---|
| 1825 | 13 6 per week. | 1834 | 8 0 per week. |
| '27 | 9 0 „ | '37 | 7 – „ |
| '29 | 7 6 „ | '48 | 6 – „ |
| '31 | 6 6 „ | '51 | 5 8 „ |

In 1852, as shown in the Table, the rate rose to 6*s.* 9*d.*, and in 1856, to 7*s.* 1*d.* The Hand Loom Weavers are rapidly diminishing in Glasgow; but it must be remembered that a Hand Loom Weaver, unlike a Factory Weaver, is very much his own master, and can find leisure to cultivate a patch of land or a garden.

The following Summary presents in a more compendious form the Per-Centage results of the preceding Table (H.)

(I.) WAGES IN GLASGOW, 1850–56. — *Increase in the RATES in* 1856 *stated in Per-Centage Proportions of the Rates in* 1850–1.

| *Trades.* | Increase in 1856 over 1850–1. |
|---|---|
| (I.) BUILDING TRADES: — | |
| Skilled Labour, — Masons, Carpenters, and Joiners - - - | 20 per Cent. |
| Unskilled Labour, — Common Labourers - - - - | 48 „ |
| (II.) MINING AND MACHINERY: — | |
| Engineers - - - - | 17 per Cent. |
| Furnace Keepers (*Iron works*) - | 60 „ |
| Quarriers - - - - | 30 „ |
| (III.) TEXTILE FABRICS: — | |
| Cotton Spinners - - - | 25 per Cent. |
| Power Loom Weavers - - | 15 „ |

The rates of increase presented by these figures are very unequal; arising, of course, from the peculiar circumstances of the several occupations. The largest advance is in the Wages of Furnace Keepers, — that is, of persons employed in charge of the Furnaces connected with Iron Works; the next largest advance is in the Wages of Common Labourers employed in the Building Trade.

The earnings of Cotton Spinners and Power Loom Weavers are in a large degree influenced by the improvements in machinery. Dr. Strang says:—

"In the case of Cotton Spinners matters have "so changed, and Mills and Machines have been "so altered in productive power, that it is almost "impossible to arrive at a correct average of

"Wages at present (1856) paid. For while in the "*Older Factories* a Spinner cannot gain more than "20*s.* per week, in the *New Mills*, possessing all "the advantages of improved machinery, his "Wages may even reach 35*s.* In the one a man "manages 500 spindles, whereas in another he "can superintend 1500 or 2000 spindles. In "proof of this I may mention, that thirty-five "years ago the spinner of the finest or highest "numbers of Yarn had only about 150 spindles "to each Jenny to attend to; whereas now, in the "Factories where the finest numbers of Yarn are "spun, one individual can easily manage 880 spin-"dles; and these, too, are annually on the in-"crease.

"In short, in Cotton Spinning and Power-Loom "Weaving the advance of Wages has arisen prin-"cipally from increased production in consequence "of improvements in machinery.

"It must also be borne in mind, that Weavers "and Spinners worked 69 hours per week in 1841 "and only 60 hours in 1851–6, and hence received "in 1851–6 more money for less labour."*

* A result of the same kind is in course of being produced by the successful application of Sewing Machines to the performance of work previously undertaken by Seamstresses, and undertaken, as unhappily we all know, at wages which, like those of the Hand Loom Weavers, seemed to be subject to continual reduction. As the result of inquiries made in Glasgow and Manchester, I am led to believe that the Sewing Machine is rapidly becoming a most effective application of mechanical skill. At first only simple kinds of stitching could be performed by the machines; but almost every month has introduced some improvement. As the general result, it seems to be considered that in mere *quantity* one machine can perform the work of four or five women, and in *quality* can perform the work in a much superior style. It is said, also, that the wages of the women who superintend the machines are considerably higher than any wages previously earned by mere seamstresses. There will for a season be more distress occasioned by change of employments; but the emancipation of the poorer female population from the unwholesome drudgery of the needle is one of

And it may be added that this feature of diminished hours of work applies very extensively in other occupations besides that of Factory Labour.

In the Building Trade, for example, there has been a general reduction of three hours per week since 1853.

Nor has the rise of Wages been confined to any particular district of the country or group of trades.

In the Autumn of 1856 there arose a cry among the Farmers that no adequate supply of Farm Labour was to be had for the securing of the Harvest. Sir Morton Peto considered the necessity so urgent that he publicly suggested the employment of the Militia in Harvest Work. He said (Times, 13th August, 1856) — "In England floating Rural "Labour has within the last few years been ab- "sorbed by Emigration, by the prosperity of our "Manufactures and Commerce, and recently by "the necessary increase of our army. The con- "sequence of this doubly diminished supply is, "that the Price of Harvest Labour has risen until "the farmers outbid Railway Contractors; and "we find ourselves compelled to suspend for the "present the execution of all but very pressing "public works. Navvies who were earning from "4*s.* 3*d.* to 4*s.* 6*d.* per day, have left us because "they can earn more at Harvesting." *

the most hopeful changes of late years. The machines cost at their first introduction about 30*l.* each; but the price is now, I believe, reduced to not much more than 20*l.* each.

* The distress which has prevailed in London, during the Winter of 1856–57, among the operatives connected with the Building Trade, seems to be wholly traceable to special local causes. The enormous extension of Building enterprise in London in 1853–55 drew to the Metropolis its undue proportion of workmen. Large failures have occurred among Building speculators; and for some time past the London Building Trade has been in difficulties. In the very intelligent newspaper called the Builder, of the 26th January, 1857, a correspondent,

As the general result of all the data I have been able to collect,—and the investigation has been pursued with some care,—we may consider as established the following conclusion, viz.:—

That in Great Britain, during the six years 1851-56, there has been established a Rise of Wages for all kinds of Handicraft and Factory Labour of between 15 and 20 per cent. on the rates current for some time prior to 1851;—that

who describes himself as a Working Man, gives the following statement of the immediate facts of the case. He says:—

"There are two great causes of the present want of employment for the building mechanic—the employment of capital in more profitable investments, and the conduct of the operatives themselves. Persons can now realise from five to six per cent. very readily upon loans, or merely by deposits at joint-stock banks, and therefore are not willing to be satisfied with four or five from builders, encumbered with the business of mortgages or other securities; and unless interest is as low as that, building operations cannot allow the builder any profit. And why is this? Materials are cheaper than they used to be, and houses are no less in request, but the labour is so costly that it keeps up the price of production above the market value. Some years ago a first-rate carpenter, bricklayer, or mason would have been satisfied with his 4*s.*, 4*s.* 6*d.*, or at most 5*s.* a day; but the artisan, finding that building prospered, that there was a great demand for labour, immediately increased his claim for wages 3*d.* a day, and then advanced again and again, until at length the wages came to 5*s.* 6*d.* But, not content with the increase, they have claimed their Saturday holiday. So that builders, if they yield to these large wages, can make no profit for their heavy outlay on labour, and can only realise something for themselves out of the materials. But this is not all, for the trade unions have been productive of immense injury. They prevent the builder from paying his workmen according to their respective merits, as they claim all to be paid by one standard, that is, the highest. They refuse to work with non-unionists; thus driving all men, whether willing or not, to become unionists. In fact, the regulations of the unions are most oppressive tyranny to workmen and their employers, and have completely disorganised the relations which once existed between the operatives and the employers. These are, perhaps, hard truths; but they are truths, and well meant, and proceed from one whose interests are the same as theirs, and who has for them the kindest feelings of a fellow-workman in the Building Trade."

the largest per-centage of increase has occurred in the Wages of Unskilled Labour; — and that to some considerable extent, more especially in the better cultivated districts, there has been, during the same six years, a decided tendency to a rise in the Wages of Agricultural Labour; — and further, that in Ireland the improvement in Wages among Mechanics has been nearly as great as in Great Britain, while the rise in the Wages of Rural Labourers has been decidedly greater than among the Rural Labourers on this side of St. George's Channel.

The seven topics of inquiry which met us at the threshold of this investigation have now been exhausted, so far as our present extent of evidence enables us to deal with questions so large and difficult.

We have found, in a few words, that in 1856, and for four years preceding 1856, the annual supplies of Gold have been *fourfold* the amount of the annual supply in 1848; — that in the Eight Years 1849–56, the addition made to the Total Stock of Gold existing in 1848 in various forms in Europe and America, has been equal to more than *one fourth*; — that the addition made by New Gold Coinage to the quantity of Metallic Circulation in the leading commercial countries has been more than *one third*; — that, according to the best conclusions which can be drawn from the experience of this country, the range of general Prices has not been materially influenced so far by these large additions to the metallic money; — that the Wages of Labour, particularly of Unskilled Labour, have risen in the proportion of 15 to 20 per cent.; — and that since 1850, the social and commercial phenomena which have been most conspicuous in this country have been the effects produced by the Gold Discoveries in Doubling the Export Trade — in directing to useful purposes pauper

and surplus labour—and, as we have seen in former portions of these Volumes, in averting on several occasions the financial perils which under other circumstances would have aggravated the pressure of the War, the failures of the seasons, and the reverses of trade.

Having arrived, therefore, at these positive conclusions — having established ourselves, as it were, upon a solid platform of facts — as regards the principal country to which the New Supplies have been *Sent*, let us now turn our attention to the principal country in which the New Supplies of Gold have been *Produced* — and that country is Australia.

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## SECTION 7.

*Australian Colonies. — Circumstances which had contributed to establish within them a sound Social State prior to the Gold Discoveries.*

Under the provisions of the important statute known as the Australian Colonies Government Act of 1850 (13 & 14 Vict. cap. 59,—5th August, 1850) the Colonies of New South Wales, Victoria, and Tasmania, have already secured to themselves Constitutions which confer, in the fullest sense, the rights and responsibilities of self-government. The Colony of South Australia has not advanced quite so far in the settlement of its form of internal administration.

Under an Act of 1852 (15 & 16 Vict. cap. 72, — 30th June, 1852), New Zealand has also at length obtained a representative Local Authority.

Western Australia, as a convict settlement, remains under the control of a Governor.

The principle of the great measure of 1850 was to concede to the Colonies the right of settling, under certain conditions, the form of their own Legislative Government; — to place under the control of the Legislatures so created the full and perfect administration of the affairs and finances of the Colony; — to vest in them full discretion as to the proceeds of the Land Fund; and to make it incumbent on the Governor to select his responsible advisers in accordance with the expressed sentiments of a majority of the Local Parliament. The Crown reserved to itself no more than the right of deciding upon all Imperial questions, and the right of nominating the Governor, for the maintenance of whose official dignity it was made a preliminary that the Colonial Legislatures should set aside, as a first charge upon the revenue of the Colony, an adequate Civil List.

Between 1850 and 1855 the Colonies had availed themselves of the privileges conferred by the measure of the former year. They had fully discussed the peculiar modifications best adapted to the circumstances of each; and they had sent home Provincial Constitutions for the ratification of the Sovereign and the Imperial Parliament.

Two Statutes, passed in July 1855 (18 & 19 Vict. caps. 54. and 55.), confirmed, with but few variations, the schemes of Representative Government proposed by New South Wales and Victoria; and with the year 1856 there has been fully commenced, in both those provinces, a career of self-dependence and self-control.

Occupying the choicest lands and the most commanding geographical positions of the Australian Continent — with a Population of nearly 600,000 persons, in which there is found no extreme disproportion of the sexes — with a population moreover not impaired in cohesiveness or character by diversities of colour, language, or race, but com-

posed, in the largest degree, not merely of British, but of English settlers and their descendants—inheriting English laws, traditions, and sentiments—forming, by affection and choice, an integral part of the Colonial Empire of their Parent State—carrying with them, as among their most cherished possessions, the Religion and the Literature which distinguish the Land of their origin—and now, not as the gift of any sudden fortune, or the offspring of any passing chance, but as the fair-won issue of a long debate, arriving at the full maturity of political rights, and taking upon themselves the task and duty of settling with temper and discretion the foundations of a future State,—we may well regard these English Communities, at length so firmly rooted in the Southern Hemisphere, as among the most vigorous and noble offshoots which claim a British descent.

It is probable that few political societies have at any time entered upon their career of virtual independence with advantages so great as are possessed by the English Colonies in Australia.

They have at their command the fruits of the experience and the discoveries of the Old World. Their intimate relation to the Mother Country draws towards them the resources of its capital; and the capabilities of their new territory are in little danger of remaining unapplied so long as reasonable securities and reasonable rewards are afforded by Australia to English creditors. The fierce and protracted discussions of thirty years have gradually built up in England a science of practical politics and social economy in depth and height unknown to the last generation. Class interests,—differential duties,—the fictions of protection to native industry,—taxes imposed without skill or equity, on the one hand:—perfect equality, as regards civil rights, of all religious parties,—and not merely the expediency, but the obligation and

the necessity of a broad popular suffrage, on the other: — these are regarded by the New Australian Legislatures as evils to be avoided, and privileges to be maintained, in pursuance of principles adopted by them as landmarks of policy resting on foundations which cannot be moved.

The energies of these new States may be directed, therefore, to the discussion of those immediate and pressing questions which spring up so rapidly among a population contending with the difficulties of a remote and unoccupied continent; and aided by Railways*, Steamboats, Telegraphs, and Machinery, they must be overtaken by a swift degeneracy if their growth in wealth and strength does not cast deeply into shade even the early pro-

* Both New South Wales and Victoria have already embarked in no timid spirit in the construction of Railways. The latest intelligence is as follows: —"The Legislature of New South Wales have passed an act to enable the Governor, with the aid of the Executive Council, 'from time to time to raise, by the 'sales of debentures, secured upon the consolidated revenue fund 'of the Colony, and bearing interest at a rate not exceeding '5 per cent. per annum, such sum or sums of money, not exceed-'ing 200,000*l.*, as may be required for the carrying on Rail-'way Works.' Contracts have been accepted for providing locomotives, rolling stock, &c. from England for the Melbourne and Williamstown Railway, and also for the supply of 18,000 tons of rails. Tenders have been invited for the supply of 110,000 sleepers for the Melbourne, Mount Alexander, and Murray River Railway, and the branch line to Williamstown; and for a three-rail fence on both sides of the main line for 20 miles from Melbourne. The railway from Melbourne to St. Kilda is being rapidly proceeded with, and the line from Melbourne to Geelong, it is believed, will be opened for traffic throughout in February, 1857. The Geelong and Ballarat line is also reported to be in a forward state. The survey of the North-Eastern line, to connect Melbourne, Kilmore, Seymour, Benalla, Beechworth, and Belvoir, had been commenced. The construction of the Western Line, embracing Geelong, Ballarat, Raglan, Warrnambool, Belfast, Portland, and Mount Gambia (about 250 miles), was intended to be proceeded with during the summer of 1856–57. The remaining portion of the Geelong and Melbourne Railway Company's debentures, sent to Sydney, has been taken up at from 5 to 10 premium."

gress of those other English settlements which a hundred and fifty years ago converted the creeks and forests of New England into havens filled with a vast navy, and into pastures supporting a stalwart population.

But not only have the Australian Dependencies the benefit of these general influences, but they are specifically in possession of some advantages which, in modern times at least, have not been acquired at so early a stage by any Colonial settlement.

Mr. Merivale has pointed out, with great clearness, in the Ninth of those Lectures* which have done so much to diffuse sound views on Colonisation, the essential difference between Colonies which are not able to produce commodities suitable, on a large scale, for the Foreign Market; and those other Colonies which do possess within themselves the means of raising some product which commands a large sale in the commercial countries of the world. Examples of the Non-Exporting Colonies were furnished by some of the earlier settlements in North America. Examples of Exporting Colonies are found among the Spanish Colonies in the Mining regions of South America; and among the European establishments placed in most of the West India Islands.

Mr. Merivale urges, and with great truth, that in nearly every case in which a Colony has furnished large quantities of Exportable Produce, the Export demand has only been supplied by means of Slave or Compulsory Labour. A Free population would have been unequal to establish or sustain the Export Trade, because it would have been too much dispersed; and, moreover, Capital would

* Lectures on Colonisation and Colonies, delivered before the University of Oxford, in 1839, '40, and '41, by Herman Merivale. Longman, 1842, 2 vols.

not have been applied to extensive and continuous cultivation, for the sufficient reason that no corresponding supply of free labour could be insured. These are the general principles as applying to New Colonies; and their truth is in no way inconsistent with the fact that, after the lapse of a long period, even the settlements in Massachusetts Bay became vigorous trading states.

But in the case of New South Wales, South Australia, Tasmania, and Victoria, the application, so early as 1831, of the Wakefield Principle of Colonisation has secured to these Colonies, at a very early stage of their history, not merely the advantages arising from a large Export Trade in a commodity (wool) commanding a ready sale in Europe; but has secured these advantages in a manner perfectly compatible with the preservation and growth of a Free Population.

It is not necessary in this place to enter into a statement of the theory of the Wakefield Principle, nor of the vicissitudes which have attended its application to the Australian Colonies. It has passed through a sharp ordeal, and has survived the attacks of a dense army of assailants. Some of the early refinements of the Theory have been relinquished; and the pebble at first picked up from the brook marked with various eccentricities of form, has become smooth and symmetrical as it has been flung from side to side in the contest.

But as lying at the root of nearly all the solid progress which has been made in Australia, I avail myself gladly of the following passage in Mr. Merivale's fourteenth Lecture, stating candidly and clearly the real merits of the case. The passage, it must be remembered, was written in 1841.

"I have now gone through the principal features of the modern scheme of Systematic Colonisation. Let us divest it of the too exact form in which it has been presented by some of its supporters; let us dismiss all idea of a precise proportion

between land, labour, and capital; an exclusive employment of the land fund on emigration; and of a mathematically 'sufficient' price; let us consider its principles as confined to the sale of land at as high prices as can reasonably be obtained, and the strict devotion of the fund to a few essential purposes, among which the supply of Labour holds the principal place; let us consider it, moreover, as chiefly applicable only to Colonies raising large quantities of Exportable produce, and perhaps also to other colonies so distant from the mother country that the stream of emigration needs to be artificially directed to them; let us, I say, subject the Theory to all the qualifications which I have suggested, although not all of them with equal confidence, and we cannot then fail of being struck with its simplicity, its facility of adaptation, its high practical utility.

"Never was there a more remarkable instance of the success of a principle against all manner of misapprehension—against the fear of innovation—against corrupt interests—against the inert resistance which all novelty is sure to encounter. At its first announcement, if warmly advocated by a few supporters, it was received by the multitude with incredulity, by the learned with derision. The idea of putting a high price on that which it had been the uniform practice to lavish with unlimited profusion, and expecting thereby to promote colonisation, was received by them as the climax of absurdity. 'The whole scheme,' said Mr. M'Culloch, 'seems, in fact, to be little else than a tissue of 'delusions and contradictions; and it says little for the discern-'ment of the public that it should have attracted any notice. 'It is true that the Americans sell their unoccupied lands; 'but they sell the richest and finest lands in the valley of the 'Mississippi at less than a dollar an acre, whereas we exact 'five shillings an acre for the worst land in Canada, and no 'less than twelve shillings or twenty shillings an acre for the 'worst land at the antipodes, as in that terra incognita called 'Southern Australia. If these regulations be intended to 'direct the current of voluntary emigration from our own 'colonies to the United States, they do honour to the sagacity of 'those by whom they were contrived, and there is not a word 'to be said against them. But in all other respects they seem 'to be as impolitic and absurd as can well be imagined.'

"The experiment was tried in South Australia. It succeeded in respect of the quantity of land sold and the number of emigrants conveyed, beyond the expectations of the boldest speculators. The Government at home shook off its prejudices, and resolved on applying it, though prudently and even timidly, in New South Wales. The opposition, nay, the derision with which the alteration was received, both at home and in the colonies, may be fresh in the recollection of some of my hearers. We shall examine at another time the results which it produced. Suffice it to say at present (1842), that so

great has been the change of opinion, that while some of the original supporters of the theory talk confidently of being able to raise the uniform price of land in South Australia to 3*l.* or 4*l.*; the Committee of 1841, by no means over favourably disposed to it themselves, report that the minimum price at the auctions 'may safely be raised above the present *uniform* amount of '1*l.* per acre.' In all, upwards of 1,700,000*l.* have been realised of late years in the Australian colonies by the sale of land."

Mr. Merivale next adverts to the results which had flowed from the application of the Wakefield Principle even during the Ten Years which had elapsed from 1831 to the date (1842) at which he was speaking. He says, —

"And thus far the experiment has been attended with success, and with advantage to the nation at large, inasmuch as it has been the means of conveying to the Colonies, in perfect security of obtaining work, thousands of Labourers who must otherwise have struggled on at home against the difficulties of their social position; and of furnishing labour to many capitalists, who must without it have invested their capital elsewhere.

"It is not to be supposed that the recent advance of New South Wales, or Port Phillip, is the result of direct economical causes; that there is any magic in the maintenance of a certain proportion between Land and Labour, which can, as it were, by a kind of mechanical operation, make the fortunes of a community rapid and certain. The true origin of it is, doubtless, to be sought in the confidence given to Capitalists — to speculators, if you will — by the certainty that their large outlay is honestly and systematically devoted to supplying their demand for Labour. They look forward to prosperous results, because they see things conducted on a plan (although not quite so steadily as might be wished), instead of being left to the blind operations of chance as formerly; they see that a definite object is proposed by the managers; that this object is not shrouded in diplomatic mystery, but fully and frankly explained; that all are invited to discuss its merits beforehand, to examine how far it has been obtained.

"The wealthy settler feels that he has no chance of being abandoned, like Mr. Peel at the Swan River, by the whole army of labourers whom he has induced, at an enormous expense, to accompany him, — of undergoing all the degradation and annoyance to which the supply of Convict Labour, precarious as at best it is, would expose him; of struggling for years,

like our West India Planters before the Emancipation Act, against the heavy necessity of maintaining labourers whose resources were becoming less and less profitable, and being placed at last under the torture of a desperate experiment, which may relieve or may destroy him." (*Lectures*, ii. 86–8.)

The success which Mr. Merivale thus commemorated in 1842, with no results before him beyond the now comparatively insignificant facts of the nine or ten years subsequent to 1831, has proceeded with scarcely any interruption to the present time.

It appears from a subsequent part of this volume (App. XXVIII. p. 788. *seq.*) that in the five years, 1851–5, the amount of Funds placed, chiefly by New South Wales and Victoria, at the disposal of the Emigration Commissioners in London, was not less than 2 Millions sterling, and the whole of that large sum was applied in forwarding from this country to Australia carefully selected persons belonging to the Working Classes. Since the year 1830, the number of Emigrants from these Islands to the Australian Group of settlements in which the Wakefield Principle was at work, has not been much less than 500,000 persons.

It is not pretended that the whole of these great results have been brought about by the plan of selling Waste Lands at some adequate price, and applying a considerable part of the proceeds as an Immigration Fund. But it admits of no question whatever that the introduction and adherence to a principle of this nature in the Southern Colonies has conferred upon Australia advantages which have not been enjoyed by any other Settlement of modern times.

The striking and visible consequences which flow from happy discoveries in physical science, or from the adaptation to a useful end of some previously known natural law, are justly among the most common and instructive topics which arrest and reward the attention. It is but seldom that in

those branches of Science which are occupied with the investigation, not of Physical, but of Economical laws, it is possible to refer to any manifest and undeniable train of consequences distributed over a wide surface, and flowing on through a long period of time, the clear and unquestioned offspring of some original and sharply defined principle.

The success, however, of the Wakefield Theory in the Australian Settlements is a brilliant exception to this rule. It would not be an easy task to point out any Discovery in the whole range of knowledge which has led, and will lead, to greater or nobler results than the discovery which has enabled us to plant English Colonies on vacant lands with a full command of every element of growth and strength.*

In New South Wales and Victoria one of the earliest and most difficult class of questions which will have to be settled by the New Legislatures are

* In a statement made before the Economical Section (F.) of the British Association for the Advancement of Science, at the Cheltenham Meeting in August, 1856, I ventured to suggest that it might, *now*, be desirable and practicable, so far to modify the Wakefield Principle in Australia, as to cease selling the *freehold* of the Lands, and from a certain date to alienate only a *Leasehold* interest for a long term, say a hundred years; and I endeavoured to point out that there appeared to be within reach practicable means for accompanying a Leasehold Tenure with provisions which would keep alive the beneficial interest of the Lessee to the end of his term, and at the same time preserve a considerable part of the reversionary value of the lands for the benefit of future generations of the Colony. I was exceedingly fortunate in having among my auditors Mr. Matthew Hill, the Recorder of Birmingham, and one of the Members of the House of Commons, who had charge of the original South Australian Lands Bill in 1836; and also Mr. Rowland Hill, who was Secretary to the South Australian Colonisation Commissioners. Both these gentlemen stated —and I then heard it for the first time—that the idea of granting a Leasehold instead of a Freehold interest was by no means at variance with the views of Mr. Wakefield and his early supporters.

questions relating to the disposal of the partly reclaimed Lands.

The extensive introduction of Sheep Farming gradually led to the creation of Squatters; that is, of persons, with more or less capital, engaged in Sheep Farming, who took on hire, at a low rent, for a short term of years, large tracts of land, to be applied as pasture grounds. After considerable discussion this practice was raised into a system in New South Wales, Victoria, South Australia, and Western Australia (New Zealand being excepted) by the statute 9 & 10 Vict. cap. 104., passed in 1846.

But the rapid growth of population has changed the whole complexion of the case. The lands held by the Squatters for Sheep Farming are vehemently demanded by a large party within the Colonies, as required for the legitimate purpose of providing adequate room for the increasing number of inhabitants; and happily it now devolves upon Local Parliaments, elected by a popular suffrage, to discuss and decide upon the spot the merits of a controversy which has but few attractions at the distance of ten thousand miles; but, within the sphere of its own special influence, is to the Colonists a topic more vital than was the passing of the Reform Bill, or the repeal of the Corn Laws to ourselves.

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## SECTION 8.

### *Statement of the General Results produced by the New Gold in Australia and this Country.*

If this outline may be considered as representing the vigorous conditions under which the British settlers in Australia are now bending all their

energies to subdue the spacious continent at their command; the next inquiry must relate to the extent and character of the influences which have been produced in Australia by the Gold Discoveries.

An endeavour has been made to answer this question at some length, and by means of a considerable body of evidence, in a separate chapter (forming Appendix XXX.); and in another separate chapter (Appendix XXII.) the inquiry has been extended to California. The phenomena, however, distinctly deriving their origin from the Gold Discoveries, admit of being traced, with the greatest certainty and completeness, in the Colony of Victoria; and hence I have confined myself, in a principal degree, to the collection of data relative to that Province.

Seeking to express, in the shortest form, the general results of the separate discussions just referred to, we seem to be fully justified in regarding as proved:—

(1.) That from first to last the whole of the manifold and powerful effects produced by the New Gold in the countries of its production, resolve themselves into economical changes springing in rapid succession, and in an infinitude of forms, from the expenditure of Trebled or Quadrupled Incomes obtained by the Labourers.

And (2.) That hitherto the whole of the complicated processes by which the New Gold has become distributed—in the first instance, among the population of the Gold regions, and, in the second instance, over considerable portions of the commercial world,—are to be explained by the application of one simple principle, viz.:—That the distribution has taken place in the precise proportion in which the extended demand for commodities, originally proceeding from the earliest Labourers who picked up the Gold, has gradually set in motion increased numbers of Labourers and increased

amounts of Capital, to supply the requirements not merely of the population of the Gold Countries, but also, more or less, of the population of all the countries producing Raw Materials or Manufactured Goods upon which Incomes are at present expended.

Springing up around these two general results there are a multitude of subsidiary results which, if we could thoroughly pursue them to the end of their course, we should discover to be tributaries and offshoots of the two greater principles.

Foremost in this second category are the proofs and illustrations which meet us everywhere, that the changes flowing from the Gold Discoveries are principally indebted for the *Rapidity* of their effects to the single circumstance, that, of all known substances (Silver, in some respects, excepted), Gold is the only Commodity which admits of being extracted from the soil in a perfectly marketable state; in large quantities; and by the rudest labour; and of being at once employed as an universal instrument of purchase of intrinsic value. A suddenly increased supply of no other commodity would produce effects so decided and rapid, for the simple reason that, (say) a tenfold quantity of no other commodity could find an instantaneous and impatient market. The Burra-Burra Copper Mine in South Australia, for example, might have become ten times as productive as it had been previously, without producing any effects more violent or rapid than;—first an increase of dividend to the shareholders; and gradually a fall in the price of the kinds of machinery and hardware in which Copper is the principal metal.

In the next place, the rise of two or three hundred per cent. which occurred at once in the Gold Countries in the prices of all kinds of Foreign Commodities, was speedily corrected, by the impulse imparted, almost in a single day, to the re-

sources available for increased Production in those foreign countries. And after the first excitement had abated, the increased production has continued year by year, because the effective demand in the form of New Gold has continued in the Gold Countries year by year. But there has been this most important collateral effect, viz., — that year by year the circle within which the demand for commodities goes on increasing, is a circle of rapidly expanding area. Originally, but for a short time only, it included merely the Gold Countries; it then embraced those particular districts — Lancashire and Birmingham for example — best able to meet the most urgent demands for special articles; it then became extended to the districts which supplied the raw materials of those articles; and, pursuing the same order of progression, the area of the increased demand for Commodities — or, what is a better term, the area within which increased Incomes are expended — is necessarily wider in each succeeding month.

The same general reasoning applies to the process by which the Wages of Labour have been reduced in the Gold Countries by means of Immigration.

The Discovery of the New Gold was, in its immediate region, the same thing practically as rendering Labour four times as effective as it had been, in the production of those commodities not merely possessing intrinsic value, but instantly exchangeable all over the world for all other commodities possessing intrinsic value. The Immigrants, drawn to the Gold Countries by the prospects of high wages and sudden fortune, transferred, in some specific proportion, the benefits of this increased efficacy of Labour to the countries from whence they started; — and in two modes; namely, — in the first place, by establishing at once, as was seen in this country in 1852 and 1853, a prodigiously increased

price for Emigrant Vessels, and therefore, for the services of all persons connected with ship-building; and, in the second place, by leaving behind them vacancies which could only be supplied by the absorption of Labour previously a burden in some form to the community;—as was also seen in this country in 1852 and 1853, by the diminution in the number of destitute persons relieved under the Poor Law.*

We seem to arrive, then, at a further generalisation, namely: —

(1.) That within the Gold Countries the effects of the Discoveries have been to create rapidly and largely accumulations of Real Wealth and real resources. The adult population of those countries has been increased three or four-fold within as many years. The erection of houses; the cultivation of the soil; the reclamation of waste lands; the construction of railways; the embellishment of towns; the provision of harbours and docks; the foundation of schools and universities; and, more conspicuous than all, the establishment, almost at a single stride, of an enormous Foreign Trade;—in a few words, the vigorous prosecution of every enterprise, and the swift advancement of every art which can render a country opulent and powerful, are results which have been nearly all accomplished in the Gold Countries, by the exportation to other countries, year by year, of their supplies of New Gold.

(2.) That within those other countries to which the Gold has been sent in exchange for commodities the continuous effective demand for commodities has produced the same effects, but in a limited degree, which have taken place in Australia and California. In the United Kingdom, for ex-

* I have given a statement of the Expenditure under the Poor Law in Table (I.) in Appendix XXXIII. page 871. *seq.*

ample, the continuance, year by year, of an effective demand for commodities has led to improvements and extensions in the means of production,—has led to accumulations of capital, as savings out of the larger incomes of capitalists and labourers,—and has diminished within the country the pressure of unemployed and destitute persons.

It is manifest, then, that the Influx of the 174 Millions of Gold since 1848 has accomplished something very different from, and something very much beyond, the barren addition of a considerable percentage to the previously existing amount of Metallic Circulation in this and other countries; and has also accomplished changes far more important than any barren increase (merely by reason of enlarged quantity) in the Prices of Commodities.

It is moreover manifest, unless all the previous facts and reasonings are erroneous, that the real and vital changes which have taken place, are additions to the Real Wealth of the World, by means of greater Production and more active Enterprise; and that the elements of Circulation and Price have so far not been ultimate results, but inferior and intermediate agencies employed.

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## SECTION 9.

### *Examination of several special Questions connected with the Diffusion of the New Gold.*

It may be said that these conclusions are pre-eminently paradoxical; and at variance with all the admitted doctrines relating to the effects which arise from large additions to the quantity of Gold employed in the commercial world as a Circulating Medium.

It may be urged, as it has hitherto been urged by, perhaps, all the authorities who have discussed these questions on abstract and theoretical grounds,—that if the quantity of Metallic Money be doubled, the prices of all commodities must of necessity be also doubled. And, applying this principle, it may be said, that to show, as has been shown in a previous page, that since 1848 the quantity of Metallic Money in the principal commercial countries has been increased by about one third—and, notwithstanding this fact, to describe as inferior and intermediate agencies any effects produced by the New Gold on Circulation and Prices—is a mode of argument inconsistent and unsatisfactory.

It seems to us that the reply to this not unreasonable objection consists,—in the first place, of an answer directly arising out of the ascertained facts;—and, in the second place, of an answer founded upon the imperfect and erroneous nature of the views which have been suggested by the abstract mode of reasoning.

As a matter of fact, we have seen that it is not true that even an increase by one-third of the quantity of Metallic Money has led to a corresponding increase of General Prices; nor, in the case of large groups of commodities, to any increase of price whatever; but, on the contrary, that prices have rather sunk to a lower, than risen to a higher level.

As a matter of general reasoning, it may be said that the abstract argument which urges the constant dependence of the range of prices upon the quantity of money, is, on several grounds, a conspicuous example of the fallacious inferences which arise from the treatment of economical questions in the same manner as problems in geometry.

The abstract argument assumes that the quan-

tity of money being doubled, prices will be doubled; alluding in the faintest manner, if at all, to the length of the interval which will elapse, and to the magnitude of the changes which will take place in connection with the process.

But it is precisely these omitted elements which constitute the essence of the question.

The theory supposes, in effect, that the doubling of the quantity of money leads hastily to the doubling of the prices of *all* commodities; and that hence the only consequences which flow from the augmentation of the money, are the inconvenience of having to count two coins instead of one; and the disappearance as regards the recipients of fixed incomes of one half of their means of subsistence.

But it is not true that the effect of even a largely increased quantity of metallic money in raising prices is a hasty process; nor is it true, that, according to the facts of the last three hundred and sixty years, a doubling of the quantity of metallic money has led either hastily or ultimately to a doubling of prices; nor, further, is it true, that the circumstances connected with the diffusion of the larger quantity of metallic money are so purely collateral that they may be left out of view. On the contrary, we have already found, and we shall find still more, that by the process of the Diffusion there are brought into operation causes which go very far to invalidate the *à priori* inferences adopted on abstract grounds.

In the Inquiry in Appendix II. relative to the Influx of the Precious Metals from America in the Sixteenth and Seventeenth Centuries, it has been shown — we are led to believe conclusively — that during the eighty years from 1492 to 1570, the increase of General Prices was exceedingly partial and insignificant;—notwithstanding (see page 361, *seq.*) that at the latter date (1570) the quantity

of Gold and Silver had been certainly doubled as compared with 1492. And it has been further shown, that the rise of prices which did take place in consequence of the American Supplies, was not accomplished in a shorter space of time than the seventy years between 1570 and 1640; — and that at the end of those seventy years, the increase of prices was only 200 per cent., while it is beyond doubt that the Stock of the Precious Metals in Europe and America had been augmented since 1492 in the proportion of 600 per cent.

But we may quote conveniently the terms of the second general result (page 413. *seq.*) of the Inquiry, viz:—

"That the impulse imparted in the Sixteenth "Century to Trade, Discovery, Enterprise, and "Production, and imparted in some considerable "degree by the discoveries of the American Mines, "was so powerful and rapid that the Increased "Demand for Gold and Silver so far counteracted "the effect of the Increased Supplies that at the "culminating date of 1640 Prices had risen only "200 per cent.; whilst the then Total Existing "Stock of Gold and Silver had increased 600 per "cent." *

The process in operation *now* is in principle, the precise process which was in vigorous operation during the hundred and twenty years between the entry of the Spaniards into Peru, in 1520, and the year 1640, when Prices had risen to their highest point. If the Annual Influx of New Gold is greater now than was even the influx of New Silver, after the discovery of the Potosi Mine, we must remember, on the other hand, that the Total Stock to be now affected in value, is ten or twelve times greater than in 1545; and also that the facilities and re-

* For example — the £3 Millions sterling of Gold and Silver in 1492 had become 220 Millions in 1640.

sources for the extension of Trade, Enterprise, Discovery, and Production existing now, and existing in the time of Elizabeth, do not admit of any serious comparison.

But it is not enough to say, in general terms, that the increase of Trade, Enterprise, and Production have, during the last Eight or Nine years, counteracted almost entirely the apparent *à priori* tendency of the New Supplies to depreciate Gold as compared with Silver and other Commodities,—in other words, to raise the Prices—as stated in Gold—of all Commodities. The problem is one to be examined in detail, and we will endeavour to treat it in that mode.

The impressions and opinions which have been actually prevalent in this country at various periods since 1848; and have produced from time to time no small practical effect; may be divided into five groups.

(1.) The earliest speculations and opinions relative to the probable effects of the Californian Discoveries certainly pointed very distinctly towards Higher Prices, to be speedily occasioned by a depreciation (from excessive quantity) in the value of Gold.

(2.) It then became a prevalent belief that a material divergence from the previous scale of relative values existing between Gold and Silver, would rapidly manifest itself, and that this divergence would become so decided that sound policy would lead to the substitution of Silver for Gold as a Standard Metal in Metallic Circulations. It was in pursuance of this opinion that in 1849 Holland demonetised its Gold Coins.

(3.) The next opinion, and probably the opinion entertained by the largest number of persons, and productive of the widest practical effects on actual business; was the doctrine that the New Gold would permanently reduce the rate of Interest and Dis-

count, and render almost impossible the recurrence of any season of financial pressure. This doctrine was in the highest vogue in 1852 and the early part of 1853,—and it has been referred to at some length in the Second Part (v. 274. *antè*) of these Volumes.

(4.) There was, about the same time, a decided revival of the early opinions in favour of some speedy increase of Prices; and in 1852 and 1853 it was the habit, in many quarters, to connect the Rise in Wages—and the rise in some classes of Prices which then occurred—with a supposed specific depreciation of the circulating medium in this country—meaning by depreciation, that the metallic instruments of exchange had become of less value by reason of a rapid increase in their quantity.

(5.) And lastly, an hypothesis has been propounded, to the effect that, after all, it is a great mistake to suppose that the new supplies of Gold have made any addition to the real wealth of the world; or have been productive of any clear and important benefit to this country.

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## SECTION 10.

### *Degree of Connection between the New Gold and the Rate of Interest since* 1850.

The earlier sections of this Seventh Part may be considered, perhaps, to have explained sufficiently the true state of the facts as regards any changes which have taken place since 1848 in the range of General Prices in this country.

In more than one of the Appendices * there are

* Appendix XXI. (page 672. *seq.*) discusses the evidence afforded by the relative Prices of Gold and Silver in Paris, and the special nature of the export of Silver to the East.

discussions of the questions relating to the increased production of Silver since 1848: and to the peculiar causes which, since 1850, have created a large and special demand for Silver, as the most eligible article of remittance for discharging the mercantile balance due to China by England and America; and for transferring to India some important part of the 11 Millions of English capital which have been invested in Indian Railways. The result of the inquiries thus instituted seems to justify a positive opinion, that the fluctuating increase of 2 or 3 per cent. in the price of Silver, as compared with Gold, which has prevailed at various periods since 1849, admits of being fully explained by circumstances *not* connected with a fall in the value of Gold.

We arrive, by means of these separate investigations, at the three last of the five groups of impressions and opinions just enumerated.

These three statements raise in a distinct form nearly all the important and disputed questions relative to the effects produced by the New Gold; inasmuch as any answer which should meet them satisfactorily would explain to us;—the degree of connection existing between the New Gold and the low rate of Interest in 1852–3, and the high rate of interest, not merely in 1854–5, but also in 1856–7;—the degree of connection between the New Gold and the Rise of Wages which began in 1852–3;—and, finally, in what manner, and in what degree, the New Gold has contributed to lessen the financial pressure of the War; to excite and sustain the

This last topic is examined in further detail in Appendix XXIII. (page 712. *seq.*) Appendix XXIV. (page 736. *seq.*) relates to the absorption of Silver in the Circulation of the United States. Appendix XXVI. (page 759. *seq.*) collects together the evidence relative to the important fall since 1849 in the price of Quicksilver, and relative to the augmentation which has taken place in the annual production of Silver.

striking commercial activity of the last five years; and to confer upon this and other countries advantages manifestly arising from a rapid increase of solid wealth and resources.

Let us inquire, first, as to the effects, if any, produced on the Rate of Discount and the Rate of Interest.

It is apparently clear beyond all question, that the addition of 8 Millions of Gold made to the Total Metallic Reserve of the Bank of England between January, 1851, when the Reserve was 14 Millions; and July, 1852, when it had become 22 Millions; and the maintenance of a Total Reserve exceeding 20 Millions during the last five months of 1852; is to be regarded as the first decided appearance in Europe of the New Supplies of Gold from California and Australia.*

Those New Supplies were sent to this country either in payment for Goods bought of this country; or as remittances of capital seeking profitable investment, or profitable employment in some kind of trade; and they gradually accumulated in the Bank of England as the safest and most convenient place of deposit pending their ultimate application.

The natural and inevitable effect of so sudden and large an addition to the Reserve of the Bank was (under its present constitution and system of management) to reduce the minimum Rate of Discount from 3 per cent. in January, 1851, to 2 per cent. in April, 1852; and in the general market to reduce the rate still lower, namely, to about 1½ per cent. during the greater part of the year 1852.

It is true, therefore, that the first effect of the Gold Discoveries was to reduce the Rate of Discount, and through the Rate of Discount, to reduce

* In like manner, in 1843–5 it was the influx of Gold from Russia which led to the large reserve in the Bank, and enabled the Act of 1844 to be placed in operation by dividing the Departments and the Treasure.

the Rate of Interest* on advances made for long periods on Mortgages and other similar securities. But this effect was in its nature but temporary, and was accompanied by circumstances which tended day by day to counteract its continuance. The most immediate consequence of the extreme reduction of the Rate of Interest was to lessen the cost of producing commodities, and to increase the profits of all persons requiring the accommodation of advances for short or long periods. In other words, the low rates of 1852 set in motion in some important degree the extended trade and enterprise of 1853; and that extended trade and enterprise rapidly raised the requirements for capital beyond the supply; and led, therefore, to those successive elevations of the rate of interest which were the most striking feature, in the early commercial history of 1853.

It is not necessary in this place to point out the absurdity of any doctrine which connects the rate of interest with the mere amount of the Circulating Medium. The rate of discount in 1852 fell to 1½ per cent., not because the 8 Millions of New Gold had been added to the Circulation of this country; but because the 8 Millions had been added to the Reserves of Capital, seeking employment;—in the first place, in the form of advances by the Bank of England; and in the second place, in the form of advances by other Banks and other persons having capital to employ in loans and discounts.

Since the summer of 1853, the Rate of Discount in London, as a general rule, has been above 5 per cent., or more than three times the rate (1½

* It will be apparent from the text that the term "Rate of Discount" is employed to signify advances for short periods on bills of exchange and other negotiable securities; and "Rate of Interest," to signify advances for long terms in the form of mortgages, &c.

per cent.) of 1852. During the 3½ years to the close of 1856, the arrivals of Gold and Silver in the United Kingdom * have amounted to not less than 90 Millions; and as, at the close of 1856, the Total Reserve of the Bank of England (10 Millions) is only half the Reserve (20 Millions) in June, 1853 — the arrivals, in effect, have amounted to 100 Millions.

How has it happened, then, that these 100 Millions of Treasure have been apparently powerless to restrain the rate of discount even within 5 per cent. since June, 1853 — while the 8 Millions of Treasure added to the Bank Reserve during the eighteen months prior to that date, certainly did contribute in some material degree to reduce the rate of discount from 3 to 1½ per cent. ? The answer is twofold.

In the first place, the Deficient Harvests of 1853 and 1855, and the War Expenditure of 1854–5, carried off in payment for Corn, and in payment for Munitions and Commissariat Stores, the quantities of New Gold as fast as they arrived: there was, therefore, no accumulation of Reserves of Capital seeking employment. In the second place, the pressure of high prices of food, of War Taxes, of losses on exports to Australia and America, of rates of discount and interest twice or three times as high as during the three years prior to 1853, — and, finally, and probably in the most important degree, the large and rapid absorption of capital in new enterprises and in extended branches of trade, — have diminished the annual rate of the accumulation of capital seeking investment; and have maintained the requirements for capital at a limit which seems to be continually exceeding the supply available at former rates of interest.

* See Appendix XXVI. Table (E.) page 770. *seq.*

But there is a further consideration. It is true that since 1853 the rate of discount has been generally above 5 per cent.; but it is also true, that there has been no extreme pressure or discredit notwithstanding the occurrence, and frequently the combination of the numerous adverse influences which have been stated.

Now it is in the non-occurrence of extreme pressure or discredit that the effect of the 100 Millions of New Gold imported into this country since July, 1853, may be very clearly traced.

In a few words, those 100 Millions have, in a great measure, enabled us to pass through the perils and calamities of the last three years without encountering any consequences more disastrous than a rise in the Rates of Interest and Discount. We say in a great measure, because it has been shown in former portions of these Volumes, that we are fully sensible of the beneficial and powerful influences which have been exercised by the operation of Free Trade, and by the extension of Railways. Still, the fact remains, that the timely arrivals, month by month, of consignments of five, or six, or seven Millions of Gold, have operated at once as the solvents of actual or prospective financial difficulties and straits which could not have been cured so effectually, or so speedily, by any other means. It is to this cause, and not, as has been asserted on purely gratuitous grounds, to the operation of the Act of 1844, that we are indebted for an exemption from commercial and financial difficulties.

Such, it appears, is the true answer to be given to the inquiry relative to the effect of the New Gold on the rate of interest.

It is an answer which dispels almost entirely, the views entertained by very competent observers in 1852, to the effect, that the influx of the new treasure would keep the reserves of capital seeking em-

ployment, so constantly in excess of the means of absorption; that it would be chiefly through a low rate of interest, and the fits of excessive speculation to which low rates of interest have always led; that the Gold Discoveries would principally exert their influence.

Such were the views expressed by Mr. Lalor *, in the eloquent and admirable volume published in July, 1852. He was led to anticipate, as the result of the facts then before him, "a far more powerful "tendency than ever to that kind of excess in the "real and apparent amount of Capital, continually "seeking and unable to find Employment, which "has hitherto been found productive of disastrous "and demoralising speculations." This was a conclusion difficult to resist in the summer of 1852; but it is a conclusion to which we shall scarcely adhere with the facts and experience before us of the last four years.

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## SECTION 11.

### *Principles which have determined the Effect of the New Gold on Wages and Incomes.*

We will now inquire concerning the actual process by which the Influx of the New Gold has been

* The title of the work was "Money and Morals." The accomplished author has now passed from among us; and he has left behind few who possess so eminently as he possessed the gift of conducting the discussion of even the most abstract problems of Political Economy with a felicity and precision of language, and by the aid of an aptness and fertility of illustrative fancy, which has been rarely equalled. Mr. Lalor died at an early age, but not until, as a leading writer in one of the London Morning Papers (the Morning Chronicle), he had contributed in no limited degree to diffuse enlightened and liberal views, and to raise, by his high example and success, the standard of the profession of which he was an ornament.

connected with the Rise in the Rate of Wages, which commenced in this country in so striking a form in the closing months of 1852 and the early part of 1853. If we can answer this inquiry in any satisfactory manner, it is probable that the most difficult portions of the subject will have been disposed of.

Mr. Mill * has quoted with approbation the important generalisation stated by Mr. Ricardo, to the effect, "that Gold and Silver having been chosen "for the general medium of Circulation, they are, "by the competition of commerce, distributed in "such proportions amongst the different countries "of the world, as to accommodate themselves to "the natural traffic which would take place if no "such metals existed, and the trade between coun-"tries were purely a trade of barter." Mr. Mill adds, that this principle, so fertile of consequences, was not followed by Mr. Ricardo into its ramifications.

But in 1830, in the celebrated Lectures on the Cost of obtaining Money, delivered by Mr. Senior from the Chair of Political Economy at Oxford, a brilliant success was achieved in applying to practical purposes, in the explanation of phenomena, the principle indicated, but not expounded, by Mr. Ricardo.

Mr. Senior established conclusively that the higher Bullion Rates of Wages; and the higher Bullion Prices of Goods in England; arise from that "competition of commerce" which assigns to the superior skill of English workmen—as exhibited in the production of better and more attractive commodities suitable for the general markets of the world—a larger proportion of the "general medium of circulation" than can be assigned to the labourers of those other countries where the degree

* "Principles," b. iii. ch. xxi.

of skill, and the quality of the goods produced, are of an inferior order. The general principle, therefore, amounted to this, — that Incomes and Prices are high in England, because the skill and resources available in England for the production of Exportable Goods, are greater than in other countries;—and further, that every invention, or facility or extension of resources which increases the capacity of England for the production of Exportable Goods, *cæteris paribus* raises in England the range of Incomes and Prices.

"In fact," says Mr. Senior, "the portableness of "the Precious Metals, and the universality of the "demand for them, render the whole commercial "world one country, in which Bullion is the mo- "ney, and the inhabitants of each nation form a "distinct class of Labourers." (*Lectures*, page 14.) And applying his principle to the explanation of the different rates of Wages prevailing in England, in India, and in North America, Mr. Senior sums up, as follows, an argument which had carefully enumerated the details of each case:—"In other words," he says, "the diligence and skill with which English "labour is applied enables one English Labourer "to produce in a year Exportable Commodities "equal in value (in Bullion) to those produced in a "year by eight Hindoos. And the diligence and "skill with which North American labour is applied "—inferior as they are, perhaps, to our own,— "yet, by the assistance of the *fertile soil* which he "cultivates, enable one North American Labourer to "produce Exportable Commodities more than one "fourth more valuable than those produced by the "Englishman in the same given period; and more "than ten times more valuable than those pro- "duced by the Hindoo. Or, to use a still more "concise expression, labour in England is *eight* "times as productive of Exportable Commodities "as in Hindostan; and labour in North America is

"*one fourth* more productive of Exportable Com-
"modities than in England."* (*Lectures*, p. 12.)

Mr. Mill accepts entirely the general doctrine propounded by Mr. Senior; but he introduces into the statement of it certain new elements which at the same time render the formula of the doctrine more precise, and enlarge and fortify its application.

Mr. Mill says, "To be quite accurate, therefore, "we must say that, the countries whose Exportable "Productions *are most in demand abroad, and con-*
"*tain greatest value in smallest bulk, which are*
"*nearest to the Mines*, and which have least de-
"mand for Foreign Productions, are those in which "Money (Gold and Silver) will be of lowest value; "or, in other words, in which Prices will habi-
"tually range the highest. If we are speaking "not of the Value of money but of its *Cost* (that "is, of the quantity of the country's labour which "must be expended to obtain it), we must add "to these four conditions of cheapness a fifth "condition, namely, 'whose productive industry is "the most efficient.' This, however, does not affect "the Value of Money estimated in commodities; "it affects the general abundance and facility with "which all things, money and commodities toge-
"ther, can be obtained." (*Principles*, b. iii. chap. xix.)

Mr. Mill then adds a further important qualification. He says, "Although, therefore, Mr. Senior "is right in pointing out the great *efficiency* of

* This is not the place to discuss the causes of rapid growth and rapid opulence in New Countries; but the short passage above, from Mr. Senior, suggests very forcibly one of the most powerful of those causes,—namely, the fertility of the virgin soil. In 1830, for example, it appeared that even the rude labour of North America applied to the raising of Raw Products, was enabled, by means of a virgin soil, to obtain for the North American Labourers a rate of wages equal to, say 25*s.*, when the rate of wages in England was equal to only 20*s.*

"English Labour as the chief cause why the Precious Metals are obtained at less *Cost* by England than by most other countries, I cannot admit that it at all accounts for their being of less *value*, — for their going *less far* in the purchase of commodities. This, in so far as it is a fact, and not an illusion, must be occasioned by the great demand in foreign countries for the staple commodities of England; and the generally *unbulky* character of those commodities *compared* with the corn, wine, timber, sugar, wool, hides, cotton, hemp, flax, tobacco, raw cotton, &c., which form the Exports of *other* commercial countries. These two causes will account for a somewhat higher range of general prices in England than elsewhere, notwithstanding the counteracting influence of her own great demand for foreign commodities. I am, however, strongly of opinion that the high prices of commodities, and the purchasing power of money in England, are more apparent than real." (*Ibid.*) In this latter opinion the Authors of these Volumes entirely concur.

Now, let the principles stated in the preceding passages be applied to the actual circumstances of the last six or seven years as regards the trade between England and the Gold Countries.

Has it not been pre-eminently true, that the country whose productions, in the words of Mr. Mill, "have been most in demand, which have contained the greatest value in the smallest bulk, and which have (practically) been nearest to the Mines," has been England?* And adopting,

* The statement in the text is meant to be, that allowing for established facilities of intercourse, for ample command of ships, and for other advantages, England was practically nearer to the Gold Countries — especially Australia — than any other commercial country. It is true that nearly all the Californian Gold has gone, in the first instances, to the United States; but then a very large portion of it has been sent on to England from the United States.

further, Mr. Senior's generalisation, to the effect that, in the distribution of the Precious Metals, the whole commercial world is "to be regarded as "one country, and the inhabitants of each nation "a distinct class of labourers," the rise and fall (in the ultimate sense) of whose Money Incomes depends upon the skill and resources at their command for the production of Exportable Goods, — is it not also obviously true, that since 1849 it has been the intense demand for the kinds of merchandise exclusively, or most easily obtainable from England, which has led to the influx into England of so large a proportion of the New Gold?

We must carefully distinguish, however, between an enlarged demand for English Goods in the Mining Countries, arising from a trebling * of the annual supply of New Gold; and an enlarged command over the quantities of Gold in the markets of the world, arising from a trebling of the skill and resources of England in the production of Exportable Goods.

In the latter case, we may reasonably suppose that Incomes in England would rise in some proportion approaching to 3 to 1. But in the former case, the rise of Incomes in England would be a fractional proportion compounded of elements which can be indicated at best but vaguely by any *à priori* process. The proportion, for example, would obviously be controlled by the degree in which the raw or finished commodities of other countries might be absorbed in the Mining Countries. It would also be controlled by any increase of skill and efficiency which take place year by year in English labour.

If we could accurately measure all these ele-

* An increase in the proportion of 3 to 1 may be assumed for general purposes as the fact since 1850. The annual production of Gold prior to 1848, was 10 Millions; and the annual production has been nearly 30 Millions since 1853.

ments as regards the last five or six years, the formula we should construct would precisely represent the effects which have been produced by the New Gold on Wages and Incomes in England. But it is wholly impossible to attempt with any useful results the construction of such a formula by the synthetical method; and the only mode in which the problem can be profitably investigated is analytically, or by the aid of such positive data as it is the object of this *History* to bring together.

We arrive, then, at two conclusions, as regards the last five or six years: —

First, that the New Gold has been distributed throughout the commercial world, in the first instance, in proportion to the skill and resources of each country in the production of Exportable Goods in demand in the Gold Regions; and in the next instance, in proportion to the skill and resources of each country in the production of Exportable Goods, not only in demand in the Gold Regions, but in demand in any other region to which any part of the New Supplies of Gold may have been carried.

Second, that the United Kingdom has been in a pre-eminent degree the country whose Exportable Goods (native, or obtained elsewhere) have been "most in demand abroad,—have contained the "greatest value in the smallest bulk, — and have "been (practically) the nearest to the Mining "Countries;" and, therefore, that by far the largest proportion of the New Gold has been sent to this country.

But we now arrive at the point when we must apply the fourth of the conditions of Cheap Gold — that is, of High Prices — mentioned by Mr. Mill, namely, the condition that Incomes and Prices will be highest in those countries "which have the "least demand for foreign productions."

If, for example, we suppose, that the United Kingdom had contained within itself natural and artificial resources which enabled it to supply, not only the skill, machinery, and capital necessary for manufactures; but also the raw materials, Cotton, Hemp, Flax, Tallow, Timber, &c., employed in those manufactures; and also the articles of comfort and luxury, — Tea, Coffee, Sugar, Wines, Spices, Fruits, Silks, &c., consumed by a prosperous population; — then, according to the conditions of the problem, and the supposition employed, the United Kingdom would become a kind of reservoir into which nearly all the Precious Metals in the commercial world would be drawn.

But the actual facts are almost the exact opposite of the case we have supposed.

The pre-eminence of England as an Exporting Country consists in the skill, capital, experience, and position which enable her to lay almost all other countries under contribution for raw materials with which to feed her manufactories; or for articles of luxury and comfort with which to provide her population. In both instances, whether as regards Foreign Raw Materials or Foreign Luxuries, England has been enabled, by the security of her laws, the enterprise and character of her merchants, her command of capital, her enlightened commercial policy, and in other modes, not merely to import the quantities required for her own use; but to become the Intermediate dealer between the countries which actually produce, and the other countries which actually consume, considerable portions of these Exotic Commodities. It cannot be said, therefore, that England is a country which "has "the *least* demand for Foreign Productions." On the contrary, it may be regarded as certain, that of all the commercial countries of the world, England has by far the *largest* demand for Foreign Pro-

ductions for her own use and consumption; and is employed in by far the largest extent in collecting and distributing Foreign Productions.

It has been, then, in consequence of this state of the facts that, while the largest proportion of the New Gold has come in the first instance direct to England; so considerable a proportion of the New Gold so arriving has merely passed through England as the principal centre of re-distribution.

We may now adopt a further conclusion, namely:

Third, — That while the distribution of the New Gold has been effected almost wholly by the demand in the Mining Countries and elsewhere for the Goods exported by England; and has produced, therefore, a rise of some classes of Wages, Profits, and Incomes in England; it is the very essence of such a demand for British Goods, to render England merely the channel through which the Increased quantities of Gold are conveyed to other parts of the world, distinguished for the production of Raw Materials of Manufacture, and of articles of Food, Comfort, and Luxury.

The answer, then, which must be given to the inquiry concerning the actual process by which the New Gold has been connected with the Rise of Wages, commenced in this country in 1852–3, seems to be: —

That, following principally a course and order of distribution regulated by the demand abroad for enlarged quantities of British Goods, the New Gold has been sent to this country primarily in payment for Exports, — has then led to a brisker sale and a larger production of Exports, — has by that means augmented Profits and Wages, — has in the next place increased the consumption in England of foreign raw materials and foreign luxuries, — and in payment for these raw materials and luxuries has been re-distributed by England through the commercial world.

And to this answer we must add the important corollary: —

That there is every reason to believe that during the last five or six years, by means of railways, free trade, new inventions, and in other modes, the skill and resources of England in the production of Exportable Goods have been considerably increased; and, therefore, the natural and inevitable range of money Incomes in England also increased:—there is, further, also reason to believe that the effect of brisk and rising markets for nearly all kinds of commodities; and the confidence created by the absence and non-apprehension of severe commercial revulsions; have so powerfully stimulated enterprise and production in almost every part of the world, that hitherto the increased supply of commodities, and the increased activity of dealings, have prevented even the addition of one third to the former stock of Gold from producing so far any marked or general rise of prices.

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## SECTION 12.

### *Degree in which the New Gold has contributed to the Increase of Real Wealth.*

There remains only the further inquiry referred to in a former page (page 198. *antè*);—namely, the inquiry suggested by the doctrine which has been propounded in several quarters, to the effect that, after all, it is a gross error to suppose that the New Supplies of Gold have made any addition to the Real Wealth of the world; or have been productive of any clear and important benefit to this country.

I have said in a former section (page 200.

*antè*), that this objection in truth resolves itself into an investigation, step by step, of the manner in which the New Gold has contributed to lessen the financial pressure of evils connected with the War; — to excite and sustain the striking commercial activity of the last five years; — and has contributed to confer upon this and other countries the advantages which have manifestly arisen from a rapid increase of solid wealth and resources.

Now the first two of these sets of questions have been already answered.

The effects produced by the constant and timely arrivals of parcels of New Gold, in relieving the money market, have been already traced; and the manner in which the New Gold has enlarged the demand for Exportable Goods has been also considered.

There only remains, therefore, the question, whether in any solid and practical sense the yearly additions to the stock of Gold are additions to the productive capital of the world; or merely additions to the quantity of a commodity which satisfies no physical want, and is wholly employed for the intermediate purpose of circulating other commodities.

To simplify the argument, let us leave out of view the employment of Gold and Silver as the material of Plate, Jewels, and other objects of luxury and ornament; and consider Gold and Silver simply as metals employed for purposes of money.

Adam Smith considered Money (meaning always by that term metallic money) as constituting part of the Circulating Capital of a country — as distinguished from its fixed capital. Mr. Wilson, with his usual acuteness and perspicacity, has improved this nomenclature of Smith's, by applying to Circulating Capital the name of *Floating* Capital

— and defining Floating Capital to include all those commodities or objects of property which replace themselves not only entirely, but also replace themselves with a surplus margin, which belongs to the owners as profit: — and further, by defining *Fixed* Capital to include those objects of property from which the only return is in the form of a prescribed rate per cent. of interest or revenue.

M. Chevalier (*La Monnaie*, sec. ix. chap. ii.) adopts Mr. Wilson's definitions, and reasonably points out that Money cannot be classed with the Floating Capital of a country, inasmuch as the Stock Money is neither destined to consumption, nor is reproduced with a profit. M. Chevalier, therefore, places it in the Category of Fixed Capital; not, however, overlooking the circumstance that as the Gold and Silver, as such, produce no annual revenue, there is an inaccuracy and awkwardness in placing them on the same level with those kinds of property of which it is the peculiar and prominent characteristic to produce an annual revenue. M. Chevalier also very truly says that while, as regards each individual person of a society, the Stock of Money he may habitually keep by him, is assuredly part of his *Floating* Capital; yet, as regards the whole society, the entire Stock of Money must be considered as part of the *Fixed* Capital.

But then the fundamental definition of capital, whether Floating or Fixed, to use M. Chevalier's own words, is — "that portion of acquired wealth which is destined to serve in the reproduction of new wealth;" and so far as we have yet proceeded, it appears that Money is neither consumed nor reproduced, nor yields any prescribed rate of revenue.

A similitude employed by Adam Smith will assist us in this difficulty.

He compares the function of Money to the func-

tion of a Highway. A Highway facilitates and encourages traffic; and the broader, smoother, and longer it is, the greater its efficacy as an instrument or machine conducive to production. And in this similitude we seem to find the true answer to the problem.

An inadequate Stock of Money produces evils very similar in their nature to the impediments, the accidents, the disappointments, and the suffering, material and moral, occasioned by the pressure of a large and swelling traffic within the limits of a narrow, irregular, and unsound Road. And still greater are the evils, when the Road is not only inadequate in width, but insufficient in length; when it is not only incapable of bearing all the traffic, but also incapable of carrying it more than half way to its destination.

To increase, therefore, the Stock of Money is almost the same thing as to impart to production the impulse which would be communicated by the conversion of a common Turnpike into a Railway; or by extending across Chat Moss a highway which formerly ran no further than the margin of the bog. And to increase the Stock of Money year by year, is very much the same thing as to construct, year by year, a new and additional Network of Railways.

But if these illustrations have any force, it follows that, during some period, longer or shorter, an addition to the quantity of money is the same thing as an addition to the Fixed Capital of the country; and exerts on production an influence of the same beneficial kind as the provision of improved harbours, roads, or manufactories.

It is true that this effect is modified by some limit of Time; but it is precisely because no attempts are usually made to assign its proper value to that limit of Time, that we hear such doctrines as I am now considering; namely, that additions

to the quantity of money are perfectly immaterial, because they are immediately neutralised by additions to the range of prices.

Adam Smith's illustration very forcibly suggests the true measure of the modification; for if we suppose the Road to be rendered wider, longer, and smoother by one third, it is not consistent with any fact with which we are acquainted, that the volume of traffic should be immediately swelled in the same proportion; so that the provision of one third more accommodation should, in truth, leave the former impediments and accidents just where they were. On the contrary, it is certain that the first effect of the enlarged facilities would be a quickened rate of speed, at a diminished expense of friction; then a gradual growth, on the enlarged route, of new descriptions of traffic; and, lastly, by the time that the widened road became as full as the strait one, the whole economy of the case would be changed.

In a few words, therefore, it is the prodigious impulse imparted to production during the considerable interval which must elapse before additions to the quantity of Money can be neutralised by corresponding additions to the range of Prices; which have rendered, and will continue to render, the New Supplies of Gold a powerful means by which the real and solid wealth of the world will be increased.

It seems to be forgotten by those who hold the contrary views, that brisk and constant markets are to production* very much what solar heat and light are to vegetation. A vigorous and sustained demand being given, the expansion of production

* Particular attention may be directed to the interesting extracts given in App. VIII., page 519. *seq.*, of the rapid growth of the production in Factories under the stimulus of brisk markets.

and the resort to new inventions, is as certain as that tropical heat will occasion tropical luxuriance.

It also seems to be forgotten that between brisk and constant markets, arising out of the Influx of New Gold; and enlarged demand, in any particular country, arising out of any devices of compulsory Paper Money; there is scarcely a quality in common. The compulsory Paper Money has no intrinsic value; and the point is presently reached when the contracted area within which alone it can circulate, renders every emission at once operative on prices to the full extent of its amount in mere quantity. The channels of Circulation within the country may receive continual additions; but they cannot be relieved by any outlet or overflow into the channels of Circulation of other countries maintaining specie payments.

Gold and Silver, on the other hand, are objects of universal desire; and constitute the circulating medium of all nations. The enlarged demand therefore, which they occasion, is diffused over a circle which becomes wider every day; and is sustained by causes which are continually extending into new regions the advantages at first confined to a single spot.

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## SECTION 13.

*Consideration of some Questions relating to the Future. — Probable Effects on the Rate of Interest.*

We have now disposed, with more or less success, of the questions relating to the Past; and when we have endeavoured — but with the caution and timidity befitting such an effort — to apply the conclusions which seem to be established, to the eluci-

dation of some of the questions relating to the Future Effects to be produced by the New Gold;—we may close the investigation.

These questions relate to the Future influence to be produced on the Rate of Interest; on Prices; on Wages; on Debtor and Creditor Contracts of Fixed Amount; and on property in Land, and other Fixed forms of investment.

In 1852–3, the opinions most prevalent and most firmly held, pointed, in a very distinct manner, to a considerable fall in the Rate of Interest, as one of the earliest and most certain of the results which would flow from the Gold Discoveries; and it was principally in reliance on these opinions, that in 1853 the Government and a portion of the public were led to believe that the time had actually arrived when important progress would be made in reducing the Three per Cent. Debt to a Stock bearing no more than $2\frac{1}{2}$ per cent. per annum.

We have seen already, in former sections, what have been the actual facts, as regards the Rate of Interest since the Spring of 1853. It is not to be denied but that War, Scarcity, and Uncertainties of Trade have had an active share in maintaining the Rate of Interest at a high point. But a year of Peace has not in any sensible degree corrected the quotations which in many quarters were attributed solely to these special causes of disturbance; and there is now a disposition in the public mind to adopt conclusions which, however sound they may appear to a few careful observers, have hitherto not been popular.

It is, indeed, sufficiently apparent, that among the earliest and most potent of the consequences arising from the extension of Railways, the introduction of Telegraphs, the adoption of Free Trade, and the brisk absorption of Exports in the Gold Countries, is a demand on all hands for the application of more capital in the extension of old, and

the opening out of new fields of enterprise and production. In every part of the Commercial World, the Rate of Interest has risen materially since 1853, and so far exhibits no symptoms of the near approach of any marked decline.

A slight consideration, even, of some of the more prominent of the economic changes which have occurred during the last five or six years, may enable us to perceive that in the prevalence of these High Rates of Interest there is no just ground for surprise.*

It has happened, for example, in the six years since 1850, that Central Europe has for the first time become thoroughly incorporated by means of Railways, and the abolition of barbarous Cordons, with the rest of the commercial world. France is only just entering upon a similar change. Eastern Europe has been broken up from its long lethargy by the war. Russia has discovered, by the aid of the same rough teacher, that national strength must be sought in the development of national resources; and it is probable that among the most impatient and urgent of the applicants for capital at this time are the Government and ruling classes of that vast region. Under the auspices of Turkey, Railways and Free Trade are already penetrating through Asia Minor, in the direction of the head of the Persian Gulph, as a central station to be occupied in a new and shorter route to India.

In India itself the Telegraph and the Locomotive are fast sweeping away the delays and hinderances which in a great measure have confined European

* In App. XXXII. (page 773. *seq.*), and App. XXX. (page 844. *seq.*), will be found a statement of the Rates of Discount and Interest in Melbourne and Sydney — the general rate being 6 @ 10 per cent. *per annum*. In California the Rate of Discount was for a long period 3 @ 5 per cent. *per month* — a sufficiently striking illustration of the evils of lawlessness and insecurity of person and property.

enterprise to three or four colonies on the coast; and already the effect of the Indian demand for English capital to be expended in Railways which will change the face of the Peninsula, has exerted no insignificant degree of influence. In South Africa a vigorous colony has sprung up at Natal; and the pacification of Caffraria has again restored prosperity to the original settlement.

But the widest fields of enterprise which have been opened are in North and South America and in Australia. The discoveries of Gold in the Sierra Neuvada have collected on the shores of the Pacific a community which, whatever may be its present defects, will assuredly become in a few years a rich and powerful State; and on the western side of the Rocky Mountains every year since 1850 has witnessed the completion of thousands of miles of new Railway, and the opening up of thousands of miles of river Navigation. In South America the enlarged demand for cotton, sugar, coffee, and other tropical products, has begun visibly to exert a new stimulus in those luxuriant regions approached by the great rivers which roll into the Atlantic.

The progress of Australia has been spoken of elsewhere. Of the progress of Canada* there have also been exhibited some proofs; and simple as may appear some of the facts connected with those proofs, they are sufficient to indicate the presence of causes which will render the Future of Canada very different from the Past. With a territory eight times the size of England — a climate eminently favourable to the British Race — with a network of railways already exceeding a thousand miles, and lands rendered thereby eminently accessible to Emigrants — with a growing Export Trade — and the extinction of nearly all ancient sources of political dissatisfaction — it seems to be certain

* See Appendix XXXIII., Table (F.), page 867. *seq.*

that in a few years Canada will become a formidable competitor even of the Great Republic of which it is the nearest neighbour.

There is every probability that before the close of 1857 the means of conveying a message from London to New York by the aid of the Telegraph, will be as well established, and as constantly in operation, as between Charing Cross and Cornhill. Before the close of 1858 the same facility will have been established between London and every part of India. In a few years it seems to be a probable result, that the capacity and speed of the Ships employed on the great lines of transit will as far exceed the results of 1856, as the results of 1856 exceed those of 1840. And in the face of all these wonders the march of Practical Science still maintains the highest place as the most wonderful of all. We seem, indeed, to plant each footstep in the path of discovery more firmly than any which has preceded it. We excite new tastes and gratify new wants by the application of ignoble and refuse substances to purposes of production as beneficial as they are extraordinary: and after many hesitations and uncertainties, we appear, since 1850, to have satisfied ourselves on sufficient grounds; that connected even with the Soil and Agriculture of our own Islands, there is a field for the profitable application of Capital as vast almost as that which in the form of Railways has swallowed up hundreds of millions.

It is not for any merely rhetorical purpose that this wide range of considerations has been suggested; for the truth really is, that to enumerate the extensions which have taken place during the last few years in the fields for the employment of Capital; and the improved means which have been brought into existence for facilitating the diffusion of capital even to remote parts of the world; is to

give the best and the most direct answer to inquiries concerning the Future Rate of Interest and the Future Range of Prices.

These Extensions, and Inducements to further Extensions, are facts as plain and striking, on the one hand, as are the Increased Supplies of Gold on the other; and we are fully justified by the evidence in saying, that there is a special and natural fitness in the contemporaneous occurrence and counterpoise of the two series of events.

But if there are strong reasons for believing that the Rate of Interest will remain for a considerable period at a much higher point than prevailed in this country prior to 1853; the unfavourable aspect of a large class of questions connected with the influence of the New Gold will be entirely changed.

On the part of the numerous body of persons whose incomes are derived from capital lent out at interest, there has been a natural apprehension that if;—on the one hand, the Rate of Interest should fall, and, on the other hand, the general range of Prices should rise;—some large part of their means of subsistence would be swept away. Hitherto, however, the fact has been, and the probability at present seems to be, that the owners of Loanable Capital may be placed among those classes of the community, upon whom a principal share of the advantages of the New Discoveries have descended, and will continue to descend; and for the obvious reason that the Rise in the Rate of Interest has been in greater proportion than the Rise in Prices.

## SECTION 14.

### *Further Questions relating to the Future.*

But it will be said,—May we not expect that within a short period the range of General Prices must be powerfully affected by the New Gold?

This question has been already considered at great length and in several forms as regards the *Past;* and it has been made apparent;—that at the entrance of this Ninth Year, 1857, after the commencement of the Great Influx in 1848, it is impossible to affirm that the range of General Prices has been sensibly raised, by the mere operation in the form of Metallic Money, of even the 160 or 170 Millions of New Gold introduced into the commercial world. It has appeared, that all the instances of an important variation in Price, comparing 1857 with 1851, admit of being accounted for by circumstances affecting the Supply or the Demand.

There is, however, an essential consideration connected with these merely mercantile explanations; and it is this:—

In the class of Raw Materials and Metals, for example,—the class in which we have seen (page 169. *antè*) that the Rise of Price since 1851 has been most marked,—the general explanation given resolves itself into the gradual growth of a Larger Demand.* But a Larger Demand springing from

* The statement in the text is true as given, but it must be read with a full recollection of the qualifications which have been repeatedly pointed out in former parts of these Volumes. For example, in nearly all the great articles of Food — Corn, Sugar, Wine, Cattle, Fruits, &c. — it is beyond doubt, that during the last three or four years the failures of supply have extended over a large surface; and further, it must be recollected, that the War introduced so many special elements of disturbance that it is almost impossible, in many cases, to trace the ordinary relations of supply and demand.

what source? The answer is obviously — springing from the expenditure of larger Incomes in the purchase of Commodities; and those larger incomes, whether Wages or Profits, we have traced to the increased demand for Exportable Goods in the Gold Countries.

The Higher Prices, then, prevailing in certain cases in 1857, compared with 1851, may arise in one or more of three ways, namely:—(1.) the *Demand in* 1857 may be the same as in 1851, but the Supply may be less;—(2.) the *Supply in* 1857 may be the same as in 1851, but the Demand may be more;—(3.) the *Demand and Supply* in 1857 may be the same as in 1851, but the quantity of Metallic Money may have been so increased,—that the bulk of Commodities remaining the same, and the number of Dealings remaining the same,—the value of Gold as compared with Commodities has fallen in the degree indicated by the rise of Price.

It will be admitted, we think, that the third of these statements does certainly *not* suggest the true explanation. The Demand for Commodities is larger in 1857 — and so is the Supply,— the Bulk of Commodities to be circulated is infinitely greater — and so also is the number of Dealings, and the geographical surface over which they are spread.

The true explanation seems to be suggested in the First Statement, namely, that in 1857 the Demand for Commodities is greater relatively to the Supply than in 1851.

It may be said that whatever may be the facts as concerns a fall in the Value of Gold, by reason of augmented *quantity;* there can at least be no question as to a fall in the value of Gold by means of a diminished *cost* of production of that metal; meaning by diminished Cost of Production, that since 1850, a larger amount of Gold than previously has been procured by the expenditure of the *same* amount of Labour and Capital.

Now there is good reason to believe that this supposition of a diminished Cost of Gold since 1850, is almost wholly erroneous. It might be shown very clearly, that combining together the extent, and cost, of the agency which has been employed to raise the 174 Millions of New Gold from the soil; the large army of Labourers and persons dependent upon them; the expenses of conveying those Labourers to the distant regions of the Gold Diggings; the expense of Tools; the cost of Living; and the value of the commodities with which the Gold has been purchased of the Diggers; — and placing this combined Total of outlay against the quantity of Gold produced, it would appear that the operation, as a question of investment to be tested by mere figures of profit and loss, has been strikingly unsuccessful. It would appear, in other words, that the amount of Labour and Capital which has been expended in producing Gold; might have been expended to greater advantage in producing commodities; — *provided* that such commodities could have found as ready and brisk a market as has been found by the Gold.

But we know very well that no new or old commodities could have been produced, the demand for which would be so effective, and would have expanded so rapidly, as the demand for Gold. We also know that no discovery of any new fields of production, could have exercised the same sudden and powerful influence in drawing population into new regions as a discovery of Gold. It is, then, for these reasons; — the immediate absorption of immense masses of Labour in a species of production which could not issue in the revulsion occasioned by a Glut; the accomplishment by means of that labour, of yearly additions to the effective demand for commodities throughout the commercial world; —and the establishment, in a few years, of large and

populous States in distant and fertile lands;—that the real worth of the Gold Discoveries consists.

We have now arrived, perhaps, at a point when the successful application of Machinery to the crushing of Quartz Rock may sooner or later effectually reduce the cost of producing Gold. It is quite possible that the Reduced Cost, and the increasing Quantity — for money produces its effects by means of volume as well as cost — may proceed more rapidly than the absorption of Gold in new countries, and by augmented dealings; — and so raise the range of General Prices.

To whatever extent General Prices may be raised from this cause it is certain;—that debtor and creditor engagements stipulating for the payment on one side, and the receipt on the other, of fixed sums of money;—will be affected to the advantage of the party who has to pay, and the disadvantage of the party who has to receive. The 28 Millions per annum, for example, paid in this country as the interest of the Funded Debt, would become a less burden to the contributors of taxes, and of less value to the annuitants among whom the interest is distributed.

But the same remark would apply to other similar cases only where the charge is fixed in perpetuity, and does not admit of periodical revision.

Money lent on mortgage has yielded, since 1853, a higher interest than for a long previous period; and if the rate of interest continued to be high, the owners of capital, lent upon temporary securities, might find the revenue yielded by these securities increase more rapidly than the augmented expenditure entailed by the higher prices. If such were the case, the market price of any Three Per Cent. security, like Consols, would fall; and by means of that fall continual transpositions would take place beteewn Consols and other forms of investment. We know practically, that artificial cir-

cumstances generally maintain Consols, at a price relatively much higher than the current rate of interest in the open market would indicate; and supposing the demand for capital to remain so active as to sustain the rate of interest, it is quite supposable that even those persons who hold Consols at a high price, might be able, in many cases, to change the form of their investment in such a manner, as to escape the penalty of being bound to no more than a three per cent. return under a high range of general prices.

Investments in Land and Houses would fully participate in the general rise of Incomes—that is of the demand for more commodities and accommodation: —and the Public generally would find the national and local Taxes press less heavily;—first, because a growing external trade would become every year a larger source of revenue; and second, because, as in 1852–3, the cost of relieving destitute persons would be diminished by the active demand for labour.

The yearly revenue or dividend yielded by investments in Railways, Canals, Bridges, Docks, Piers, and other similar undertakings, in which a very considerable part of the original outlay of capital is represented by land, earthworks, or permanent erections, would depend upon several varying conditions. For example, a rise of Wages and Prices would clearly augment the annual outlay for keeping in active work the Railway, or Canal, or Dock, —that is, would augment the annual cost of all those portions of the machinery requiring periodical reproduction. But upon the great bulk of the capital originally expended, the annual wear and tear would be comparatively trifling; and hence it is quite possible that the increase of traffic might not only counteract the increase of working expenses, but materially enlarge the rate of dividend. In Banking Companies, and in Life Insurance Com-

panies, the rate of dividend would be chiefly governed by the prevalent rate of interest; but in all cases it must be borne in mind, that an Increase of Wages and Prices involves a proportionate augmentation in the amount of capital employed in the business of the country. If, for example, fat oxen rise in price from 30*l.* to 40*l.* each, a capital of 4000*l.* will at the higher price carry on no greater a trade than 3000*l.* at the lower.

Such are a few of the speculations which concern the Future.

But they are speculations to be regarded with a jealous scrutiny. They proceed so entirely upon suppositions and analogies;—and they deal with problems so full of intricacies and ramifications which no comprehensiveness of vision can foresee, and no refinements of language can render plain,—that it is the part of a truthful inquirer, even after he has striven with the most impartial care to separate that which is plausible, from that which is real, — to acknowledge that at best his success is but limited and doubtful.

To pretend that by the application of any formula of principles, we can now construct a chart, which shall show us the order and momentum of the successive waves of influx and reflux, by means of which the New Gold will be gradually carried to the farthest boundaries of the commercial sphere, and impelled into all the crevices and indentations of the surface over which it sweeps;—would be a pretension as appropriate to empiricism, as it would be alien to every attribute of science.

It is sufficient for us to know, and see, that during the last Nine Years, a new order of influences has been set in motion as Beneficent as it is Mighty.

## SECTION 15.

*Statement of Conclusions relative to the Order, Nature, and Extent of the Influx of the New Supplies of Gold.*

In reviewing the facts which have been collected, and the discussions which are contained in the preceding Sections, and in the several divisions of the Appendix connected with them, the following may probably be regarded as among the most obvious and important of the Conclusions arising out of the investigation.

(1.) That there is good reason to believe that the Total Stock of *Gold* existing in various forms in Europe and America in 1848 was 560 *Millions* sterling; and of *Silver*, 800 *Millions* sterling; and that the New Supplies of Gold, during the Nine Years 1848–56, from California and Australia, have amounted to 174 *Millions* sterling, or equal, at the close of 1856, to 27 *per cent.* on the average Total Stock of the Nine Years; and, further, that these 174 Millions have been added to the previous quantity of Metallic Money in England, France, the United States, and elsewhere, and have increased the quantity of Metallic Money by about *one-third.*

(2.) That for the twelve years 1837–48, the Average Annual Production of Gold in Russia was about 2½ *Millions* sterling;—that this produce of Gold in Russia appears to have attained its maxi-

mum (3½ Millions) in 1848, and has since gradually but progressively declined, until, in 1856, the total produce is considerably under 3 *Millions*;—and, further, that the production of *Silver* in Russia has been, and is at present, comparatively trifling.

(3.) That the Average Annual Produce of *Gold* in all parts of the World (including Russia) had been, for some years prior to 1848, about 10 *Millions* sterling, or equal to about 2 *per cent. per annum* on the Total Stock of Gold (560 Millions) then existing;—that in 1856 the Annual Production of *Gold*, in all parts of the World (including Russia), had risen to 38 *Millions* sterling, or equal to more than 5 *per cent. per annum* on the increased Total Stock of Gold (say, 870 Millions) at the close of 1856.

(4.) That the Average Annual Production of *Silver* in all parts of the World, had been, for some years prior to 1848, not quite 9 *Millions* sterling, or equal to 1 *per cent. per annum* on the Total Stock of Silver (800 Millions) then existing;—that in 1856 the Annual Production of *Silver*, chiefly in consequence of plentiful and cheap supplies of Quicksilver, had risen to 12 *Millions* sterling, or equal to 1½ *per cent. per annum* on the Total Stock of Silver (say, 850 Millions) existing at the close of 1856;—that, concurrently with this increase of 30 per cent. on the annual production of Silver in the mining countries, it has happened that, since 1850, there have been, year by year, very considerable additions to the available yearly supplies of Silver, in consequence of the supercession of that metal in France and some other countries, as the predominant kind of metallic money;—and hence, that since

1848, the annual available supplies of *Silver*, as well as of Gold, have largely increased.

(5.) That novel and momentous as have been the extensions in the supply of *Gold* since 1848, it is important not to lose sight of the fact, that between 1800 and 1848, an addition was made to the Total Stock of *Gold* in Europe and America, equal to 58 *per cent.* on the Total Stock (354 Millions) which existed in the year 1800; — that this large addition took place without affecting in any way that can be discovered the relative value of Gold;—and that during the same forty-eight years (1800–48) the increase (25 per cent.) in the Total Stock of *Silver*, was equal to scarcely more than half the per-centage increase in the Total Stock of Gold.

(6.) That as the general result of the separate inquiry relative to the Influx of the Precious Metals in the Sixteenth and Seventeenth Centuries, it appears; — first, that no Rise of Prices can be clearly discovered till the year 1570, or fifty years after the entry of the Spaniards into Mexico, and almost thirty years after the discovery of the Potosi Silver Mine; — second, that the ultimate Range of Prices, as the effect of the Influx, was not attained till the year 1640;—and third, that in 1640, and subsequently, the Rise of Prices was equal to about 200 per cent., while the increase in the Total Stock of Gold and Silver was equal to at least 600 per cent.

(7.) That as far as can be ascertained by a careful examination of the Course of Prices in this country as regards a considerable number of leading Commodities, it does not appear that the

Prices prevailing in the early part of 1857, when compared with the Prices prevailing in 1851, justify the inference that, in any manifest and appreciable degree, the increase in the quantity of Metallic Money, by means of the New Gold, has raised the Prices of Commodities;—in other words, in every instance of a variation of Price, a full explanation of the change is apparently afforded by circumstances affecting the Supply or the Demand.

(8.) That during the last four years, 1853–6, the markets for a large and important class of Commodities — both articles of Food and articles of Raw Material — have been seriously deranged by the War, by the sudden return of Peace, and by the occurrence of deficient Crops in several parts of the World.

(9). That the Wages of Labour in this Country, both Skilled and Unskilled, have increased during the last four or five years in the proportion of 15 to 20 per cent. over the previous rates.

(10.) That the first decided effects produced by the New Gold in this country were in 1851–3, in the form of large additions to the Total Metallic Reserve of the Bank of England; — that by means of the magnitude of that Reserve, and the consequent reduction of the Rate of Discount by the Bank of England, a powerful influence was exerted in depressing the general Rate of Interest on all descriptions of Advances:—And that since 1853, an opposite state of things has prevailed; first, in consequence of the extension of Trade and Enterprise, partly excited in the first instance by the low rates of interest; second, by the necessity of importing large quantities of Corn to supply domestic

deficiencies; and third, by the foreign expenditure entailed by the War.

(11.) That since 1852, the arrival month by month of large convoys of Treasure has been, on several occasions, the means of removing actual or apprehended financial pressure of the most formidable character; and hence, that the effect of the Influx since 1852 has been to prevent any violent commercial Revulsion, and to moderate from time to time the operation of the High Rate of Interest arising from the ordinary relation between the supply of capital on the one hand, and the demand for it on the other.

(12.) That, as regards France, the effect of the demand for French productions in the Gold Countries, and in the Countries influenced by them, has been to create, during the last six or seven years, a mercantile balance in favour of France amounting to 80 or 90 Millions; and that it has been, in a principal degree, by means of that large mercantile balance, and of the timely arrivals month by month of large amounts of Treasure, that the French Government has been able to prolong its financial experiments.

(13.) That the whole process of the Distribution of the New Gold, in the first instance among the Labourers and Capitalists of the Gold Countries,—and in the second instance, among the Capitalists and Labourers of this and other countries,—resolves itself into a Demand for more Labour; and through the Demand for more Labour into a gradual rise of all classes of Incomes.

(14.) That the ultimate law which has determined the apportionment of the 174 Millions of

New Gold among the Commercial Countries of the World, and the extent of the additions to Money Incomes in those several countries, — has been the relative capacity of each country for the production of Exportable Commodities; suitable, in the first instance, for the Gold Countries, and suitable, in the second instance, for the general markets of the World.

(15.) That tried by this test, it is manifest that hitherto the largest share of the New Gold, and of the benefits thence arising, have devolved upon the Capital and Labour of this country.

(16.) That set in motion and sustained by the production year by year of large quantities of New Gold, there is at work a vast and increasing number of Causes, all conducing to augment the Real Wealth and Resources of the World — all conducing to stimulate and foster Trade, Enterprise, Discovery, and Production—and therefore, all conducing with greater and greater force to neutralise by extensions of the surface to be covered, and by multiplying indefinitely the number and magnitude of the dealings to be carried on, the *à priori* tendency of an increase of Metallic Money to raise Prices by mere force of enlarged volume.

And, finally, that at the close of the first Nine Years, during which this great economic revolution has steadily rolled on,—but each year with a broader and deeper current,—the Results which stand forth in the most positive forms, and produce upon the mind the most distinct impressions; — are Results which point to the creation of a wider and richer field for the exercise of Labour and Skill, as the

earliest and most certain of the changes which will flow from the Influx of the New Gold.

Already the boundaries within which Capital and Enterprise can be applied, with the assurance and the knowledge, alone compatible with durable success, have been extended over limits which ten or even five years ago would have been regarded as unattainable.

There have come into play Influences of which it seems to be the special mission to contribute, by the aid of these great Discoveries, and by the aid of concurrent advances of Knowledge, to the removal or mitigation of many chronic evils against which successive generations have striven almost in vain.

And on solid grounds of fact and reasoning, we are justified in concluding:—That during the last Nine Years there has been impressed upon every part of the social machinery depending on Economic Conditions, an impulse already manifest in a quickened rate of progress;—and still more manifest in accelerating (but with equal and steady steps) the success of every sound scheme for the advancement of Skill and Labour in all countries, — but pre-eminently for the advancement of Skill and Labour within that country which is our own.

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## Note relative to some of the Arrangements which have been adopted in preparing and printing the Tabular Statements throughout these Volumes.

As a preliminary to the somewhat extensive series of Appendices into which it has been part of a deliberate plan to arrange the collateral and subsidiary topics connected with the general argument, it may be allowable, perhaps, to refer to a few of the arrangements which have been adopted to ensure uniformity and accuracy throughout so large a number of Tabular Statements.

I may say, in the first place, that from the earliest commencement of this Work, an effort has been made to adhere closely to two principles as regards Statistical Evidence, namely, First,—that no Tabular matter should be admitted which, according to the best opinion that could be formed, was not absolutely necessary to the purposes of the inquiry; — in other words, that the Volumes should not be encumbered in any degree with Statistics brought together for the mere sake of expressing or illustrating by figures questions purely collateral or ingenious: and, Second, that in every Tabular Statement the admission of which was necessary, constant efforts should be made to reduce the columns into the smallest compass, to exclude from them every superfluous detail, and to arrange them in that order which seemed to be most lucid and logical.

It would be presumptuous to hope that in the course of so extensive a subject a correct judgment has always been formed on the first of the points just named; or, still less, that I have always been able to apply with the success that could be desired the conditions imposed by the second of the principles laid down.

Still, it will probably appear, on careful examination, that the Statistics in these Volumes have not been admitted without discrimination; and, also, that they have been digested throughout into a form and order more or less concise and consistent. It has been, and is too much, the habit to employ statistical data in the crudest and most inconvenient form; to consider the mere process of copying sufficient; and to pay no regard to the convenience of

the reader in his use of the volume into which the figures are thus roughly incorporated. Hence it is that we find so many cases in which Tables are presented in shapes needlessly complex, or in figures scarcely legible; and hence it also happens, that in but few instances is any attempt made to assist the reader in referring at once to that particular line or column of the statistical statement upon which the illustration or the argument intended, really depends. These faults of carelessness have sometimes brought upon statistics an amount of disregard and opprobrium which does not in any degree belong to them.

It has been sought, in these Volumes, to set an example, in some form, however imperfect, of a mode in which Statistical Evidence may be fairly and effectively employed for the furtherance of a branch of inquiry which, if not conducted according to a statistical method, cannot be successfully conducted at all. The true analogy to be borne constantly in mind in the employment of Tabular Statements seems to be clearly the analogy of an Algebraical Equation. The degree of success in constructing an Equation is precisely proportionate to the success with which all superfluous symbols are excluded, and with which the number of symbols inevitably retained are marshalled into a faultless logical order: and it is by the guidance of this analogy that it has been sought to reduce and to remodel whatever statistical matter has been collected for the purposes of these Volumes. In a great number of cases, the Tables appearing in the following Appendices have only acquired their present form after many efforts of re-construction, each modification being directed to get rid of some element which seemed to be superfluous in the modification preceding it.

I have resorted extensively, and on system, to the exclusion of the three, four, or even five figures at the *unit* end of large amounts; by that means relieving the eye and the mind from the presence of a mass of symbols really immaterial to the actual purpose and design of the Tables. It seems to me that there is a broad line of demarcation between the employment of figures for the purposes of general reasoning, and the employment of figures for the adjustment of some balance of account. In the latter case the fractions cannot be sufficiently small: in the former case the fractions cannot be removed to too great a distance.

By means of this extrusion of useless symbols;—by dividing every collection of figures into groups;—by apportioning into a succession of short Tables, details which I have obtained perhaps from a single large Table;—by introducing the old long-tail type for the expres-

sion of special results ;—by excluding all forms of Tabular construction not compatible with insertion within the *perpendicular* limits of the page ;—by means of Summaries of most of the larger Tables ;—and by means of connecting Comments either in the form of text, or of explanatory notes,—it is believed that the reader will find the task of perusal materially facilitated.

Without the aid of devices of the nature I have suggested, it would have been impossible to have presented, even in the form of three large volumes, the amount of evidence contained in the present two.

In the midst of so many figures it is scarcely permissible to hope that in all cases errors of copying or errors of printing have been escaped. But considerable precautions have been exercised throughout against casualties of that nature. The Tables themselves were, in the first instance, carefully prepared in MS. ; and the proof-sheets have been examined twice by Mr. Wright, one of the most careful and skilful "Readers" in the office of Messrs. Spottiswoode and Co., the printers.

The Appendices beginning with page 331. of the Sixth Volume were placed in the printer's hands contemporaneously with the earlier portions of the Text, and for the sufficient reason, that unless the printing of the Appendix had been kept in advance of the printing of the Text it would have been very difficult, if not impossible, to insert the numerous references in the one to special pages in the other. This arrangement will explain the non-occurrence of any actual pages between page 240. and page 331. of this Sixth Volume.

The only Appendix to which it has been necessary to provide a supplemental note is Appendix XI., relating to Bills of Exchange ; and at page 875. *seq.* will be found a Note, to which the reader will be good enough to refer for the correction of an accidental error occuring at page 588. *seq.*

Two coloured Maps of the Gold Regions of California and Australia are introduced in the appropriate parts of the Appendix ; namely, the Map of California in front of page 757 ; and the Map of Australia in front of page 781.

It will be observed, that in nearly every case where the statistics have related to foreign measures of money or quantity, the original Tables have been reduced into the corresponding *English* equivalents, in order that the notation of the whole of the Tables might rest on the same basis, and thereby admit of a ready comparison of one result with another.

A further point to which I would refer, is the division of the several

sections into Paragraphs as *short* as possible; and the introduction into each paragraph of Capital Letters at the commencement of the leading words. It will hardly have escaped the attention of any careful student, that the employment of paragraphs of considerable length is a serious hinderance in the perusal of almost any book, but especially in the perusal of books treating of abstract and intricate questions. The employment of Capitals, also, is far too much neglected as a means of assisting the mind through the agency of the eye, in fixing at once upon the leading purpose of each statement. In the early part of last Century, the rule was to distinguish each substantive by a capital; but that rule was as great an error in the one direction, as the almost total exclusion of capitals is at present an error in the opposite direction.

It would have been desirable that, under the circumstances of the Joint Authorship of these Volumes, the plural "we," instead of the singular pronoun "I," should have been employed throughout; but following the plan of the earlier volumes of the *History*, the singular pronoun was adopted until it was too late to make any change.

As an immediately practical result of the attempt now made to improve and simplify the manner of presenting Statistical Evidence, I would suggest that experiments should be tried—cautiously and prudently of course—with the view of ascertaining how far the plan of omitting the three or four Unit Figures may be adopted with advantage in the Printing of a large class of the Statistical Papers issued by Parliament and the Public Departments. I say a large class, for I am perfectly aware that in some cases the abbreviation would be wholly inadmissible.

At present a considerable proportion of these Papers is rendered cumbrous in form, slow and expensive in preparation, and inefficient for purposes of ready and practical use, in consequence of the introduction of masses of figures wholly useless as regards any general object.

This suggestion is not made hastily or without some adequate investigation; and I am strongly of opinion that as a practical measure it would be possible, by the appliance of improved methods of detail, to accelerate, probably by one third, the publication of a considerable proportion of the periodical and other Returns; to reduce the cost in a very considerable degree; and, as regards the real and ultimate object for which the information is provided at the National Expense, to render it far more intelligible and effective than it is at present.

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# APPENDIX I.

## THE PETITION OF THE MERCHANTS OF LONDON, IN 1820, IN FAVOUR OF FREE TRADE; WITH A STATEMENT OF SOME CIRCUMSTANCES CONNECTED WITH ITS ORIGIN AND PRESENTATION.

THE doctrine of Free Trade was first systematically promulgated in the latter half of last century by the sect or school of Economistes, which was founded in France by Dr. Quesnay.*

There had indeed been publications by writers of earlier date, both abroad and in this country, exhibiting glimpses of the principle of Freedom of Trade, but without any distinct view to the systematic application of it to the purpose of Commercial Legislation. It was reserved to the school of Economistes, to inculcate, as a rule of conduct for the State, that there should be allowed, in the fullest sense, "liberté d'échange," "liberté du commerce," and "la pleine liberté de la concurrence." And Turgot, who held the office of Comptroller of the Finances in France in 1774 and 1775, being a disciple and follower of the tenets of Dr. Quesnay, proposed several reforms in the spirit of those tenets, especially as regarded the Trade in Corn: but he met with insurmountable opposition to his endeavours to carry them into effect, and was dismissed after a tenure of only two or three years of his high office.

In this country Dr. Adam Smith, whose great work, "The

* The very remarkable tract published in 1701, by an anonymous author, under the title of "Considerations on the East India Trade," is among the earliest, as it is among the most profound, of the writings in which, prior to the days of Quesnay, arguments of a decidedly Free Trade tendency were maintained on scientific grounds. This tract, and some others of similar character, were privately reprinted in 1856 by the Political Economy Club, Mr. McCulloch discharging with alacrity and zeal the duties of Editor; the tracts thus reprinted being mainly supplied out of his own collection.

Wealth of Nations," was published in 1776, is undoubtedly to be considered as the founder of the doctrine of Free Trade on systematic and scientific grounds, and as having placed the practical application of that doctrine to commercial legislation in the clearest point of view.

But the doctrines and principles of Free Trade, as expounded by Dr. Adam Smith, and adopted and illustrated by the most eminent writers on Political Economy since his time, although extensively recognised and occasionally referred to in controversial tracts relating to the Corn Trade and other branches of trade which were subject to protective restrictions, had not, until the year 1820, been distinctly brought under the notice of Parliament and the Public with a view to the general adoption of them as the basis of all future legislation on the commerce of the country.

On the 8th May, 1820, the following Petition from the Merchants of London was presented to the House of Commons by Mr. Alexander Baring, afterwards Lord Ashburton.

"*To the Honourable the House of Commons of the United Kingdom of Great Britain and Ireland.*

"The Humble Petition of the undersigned Merchants of the City of London, — Showeth,

"That Foreign Commerce is eminently conducive to the wealth and prosperity of a country, by enabling it to Import the Commodities, for the production of which the soil, climate, capital, and industry of other countries are best calculated; and to Export, in payment, those articles for which its own situation is better adapted.

"That Freedom from Restraint is calculated to give the utmost extension to Foreign Trade, and the best direction to the Capital and Industry of the country.

"That the maxim of buying in the Cheapest Market, and selling in the Dearest, which regulates every merchant in his individual dealings, is strictly applicable as the best rule for the trade of the whole Nation.

"That a policy founded on these principles would render the Commerce of the World an interchange of mutual advantages, and diffuse an increase of wealth and enjoyments among the inhabitants of each State.

"That, unfortunately, a policy the very reverse of this has been, and is, more or less, adopted and acted upon by the government of this and of every other country, each trying to exclude the productions of other countries, with the specious and well-meant design of encouraging its own productions; thus inflicting on the bulk of its subjects, who are Consumers, the necessity of its submitting to privations in the quantity or quality of commodities, and thus rendering what ought to be the source of mutual benefit and of harmony among States, a constantly recurring occasion of jealousy and hostility.

"That the prevailing prejudices in favour of the Protective or Restrictive System, may be traced to the erroneous supposition that every importation of foreign commodities occasions a diminution or discouragement of our own productions to the same extent: whereas it may be clearly shown, that although the particular description of production which could not stand against unrestrained foreign competition would be discouraged, yet as no Importation could be continued for any length of time without a corresponding Exportation, direct or indirect, there would be an encouragement, for the purpose of that exportation, of some other production to which our situation might be better suited; thus affording at least an equal, and probably a greater, and certainly a more beneficial, employment to our own Capital and Labour.

"That of the numerous Protective and Prohibitory Duties of our commercial code, it may be proved, that while all operate as a very heavy tax on the community at large, very few are of any ultimate benefit to the classes in whose favour they were originally instituted; and none to the extent of the loss occasioned by them to other classes.

"That, among the other evils of the Restrictive or Protective System, not the least is, that the Artificial Protection of one branch of industry, or source of production, against foreign competition, is set up as a ground of claim by other branches for similar protection; so that, if the reasoning upon which these restrictive or prohibitory regulations are founded were followed out consistently, it would not stop short of excluding us from all foreign commerce whatsoever. And the same train of argument, which, with corresponding prohibitions and protective duties, should exclude us from Foreign Trade, might be brought forward to justify the re-enactment of restrictions upon the interchange of productions (unconnected with public

revenue) among the kingdoms composing the Union, or among the counties of the same Kingdom.

"That an investigation of the effects of the Restrictive System, at this time, is peculiarly called for, as it may, in the opinion of Your Petitioners, lead to a strong presumption that the distress which now so generally prevails is considerably aggravated by that system, and that some relief may be obtained by the earliest practicable removal of such of the restraints as may be shown to be most injurious to the capital and industry of the community, and to be attended with no compensating benefit to the public revenue.

"That a Declaration against the Anti-Commercial principles of our Restrictive System is of the more importance at the present juncture, inasmuch as, in several instances of recent occurrence, the Merchants and Manufacturers in Foreign States have assailed their respective governments with applications for further protective or prohibitory duties and regulations, urging the example and authority of this country, against which they are almost exclusively directed, as a sanction for the policy of such measures. And certainly, if the reasoning upon which our restrictions have been defended is worth anything, it will apply in behalf of the regulations of foreign states against us. They insist upon our superiority in capital and machinery; as we do upon their comparative exemption from taxation; and with equal foundation.

"That nothing would more tend to counteract the commercial hostility of foreign states than the adoption of a more Enlightened and more Conciliatory policy on the part of this country.

"That although, as a matter of mere Diplomacy, it may sometimes answer to hold out the removal of particular prohibitions, or high duties, as depending upon corresponding concessions by other States in our favour, it does not follow that we should maintain our restrictions, in cases where the desired concessions on their part cannot be obtained. Our restrictions would not be the less prejudicial to our own capital and industry, because other Governments persisted in preserving impolitic regulations.

"That, upon the whole, the most Liberal would prove to be the most Politic course on such occasions.

"That, independent of the direct benefit to be derived by this country on every occasion of such concession or relaxation, a

great incidental object would be gained by the recognition of a sound principle or standard, to which all subsequent arrangements might be referred, and by the salutary influence which a promulgation of such just views by the Legislature, and by the nation at large, could not fail to have on the policy of other States.

"That in thus declaring, as Your Petitioners do, their conviction of the Impolicy and Injustice of the Restrictive System, and in desiring every practicable relaxation of it, they have in view only such parts of it as are not connected, or are only subordinately so, with the Public Revenue. As long as the necessity for the present amount of Revenue subsists, Your Petitioners cannot expect so important a branch of it as the Customs to be given up, nor to be materially diminished, unless some substitute less objectionable, be suggested. But it is against every Restrictive Regulation of Trade, not essential to the Revenue—against all duties merely Protective from Foreign Competition — and against the excess of such duties as are partly for the purpose of revenue, and partly for that of protection — that the prayer of the present Petition is respectfully submitted to the wisdom of Parliament.

"Your Petitioners therefore humbly pray that your Honourable House will be pleased to take the subject into consideration, and to adopt such measures as may be calculated to give Greater Freedom to Foreign Commerce, and thereby to increase the resources of the State."*

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As this Petition was wholly drawn up by me, and as all the details of management relating to it devolved upon me, I avail myself of this occasion to give a brief account of the circum-

* There is some abruptness in the closing prayer of the Petition. This is accounted for by the circumstance, that in the original draught a Committee of Inquiry into the Laws which obstructed the extension of the Foreign Trade, and the consequent development of the Industry of the Country, had been prayed for. And when, for the reasons which are stated in this Appendix, that part of the prayer had been abandoned, the alteration was made in some degree of hurry, which will explain the want of fulness in the sentence from which that part was expunged.

stances in which it originated, and of the steps which were taken preparatory to its presentation.

There was a small number of my friends and acquaintance who, with myself, were strongly opposed to the policy which sought, by restrictions on the importation of Corn and other articles of Food, to perpetuate in Peace, as far as legislation could do so, the scarcity and high prices which prevailed during the War. And there arose among these persons a strong desire, not only for the reversal of that policy, but for the practical application of the principles of Perfect Freedom of Trade, as far as might be consistent with the maintenance of the revenue, to the whole of our commercial system, which was encumbered, and disfigured, and shackled by innumerable, vexatious, obstructive, and impolitic restrictions that had come down to us from periods long antecedent to the War.

With this object in view, it was proposed to have a meeting, for the purpose of considering the expediency of instituting a committee which should take measures for the dissemination of correct opinions on the subject, as a preparatory step towards endeavouring to obtain a practical application of them to the commercial legislation of the country.

The meeting took place in the unpretending form of a small dinner party, of which I was one, on the 31st January, 1820.

In the course of the discussion for which we had met, it soon appeared, that there were three or four of our number (ten in all) whose notions on the several questions of principle and policy that arose were most crude and confused. Exemptions from the application of the principle of free trade were claimed, first for one article, then for another; and, as is usual on such occasions, so tenacious of their opinions were the parties who urged these claims, that no progress was made in converting them to sounder views, when the time had arrived for the party to break up, without any agreement having been come to as to any further proceeding.

As we were on the point of separating, I took occasion to observe upon the small apparent chance of any good purpose being answered by the attempt to form a committee of the persons then assembled for the purpose proposed: seeing that, out of the small number who had been invited to that meeting on the assumption that they were Free Traders, so large a proportion had shown, in the course of our discussion, so little acquaint-

ance with the grounds on which the principles of free trade were founded, that they required to be themselves indoctrinated in those principles, instead of being qualified to teach them to others; and I suggested, that the more simple and more effectual mode of proceeding would be, to have a Paper drawn up, setting forth the opinions in which we, the majority of that small meeting, were agreed; and that this declaration of opinions might be embodied in a Petition to Parliament, to be signed by such of the Merchants of London as concurred in the opinions so expressed.

This suggestion was approved of, and I was asked to undertake the drawing up of such a Petition. As no one else seemed inclined to undertake it, I consented.

When I had written the draft, I submitted it for perusal to each of the parties who, with me, had formed the majority at the meeting alluded to; and I received their approval without the suggestion of one word of alteration or correction. But as to further proceeding in the matter, none of them took any part with me except my lamented friend the late Mr. S. C. Holland (a partner in the firm of Baring Brothers, & Co., and father of the present member for Evesham), at whose house the meeting alluded to had been held, and who assisted me in some of the details of arrangement, and divided with me the expense, of which, however, the entire amount was very trifling. With this exception, the whole of the management rested with me; and I was, with the Draft of Petition on my hands, not a little at a loss what to do with it. From my experience among the merchants of London, I was quite convinced that they understood little, and cared less, about the doctrines and principles of Political Economy, an epitome of which was contained in the Petition; and that from their general unwillingness to sign petitions, as to matters in which their individual interests or political feelings were not very obviously and immediately concerned, it was highly improbable that such a number of signatures of persons of commercial eminence could be obtained as would be requisite to bring the prayer of the Petition with sufficient weight under the notice of the Government, of Parliament, and the public.

In this difficulty, a course occurred to me which eventually answered the purpose.

This was, to endeavour to obtain the assistance and co-

operation of the late Mr. Samuel Thornton. This gentleman was a person who enjoyed great commercial eminence, and a high social position: he had been Governor of the Bank of England, and was still in the direction of that establishment, and the senior member of the Court; he had sat in several parliaments, his last seat having been for the County of Surrey. He was, moreover, Governor of the Russia Company; and it was on the ground of his filling that office that I, as one of the Court of Assistants of that Company, considered myself justified in applying to him with a request for his co-operation.

I accordingly waited upon him with a draft of the Petition, and represented to him how much the Russia trade would be benefited by a relaxation, which it was the object of the petitioners to obtain, of the system of prohibitions and prohibitory and protective duties then existing, instancing especially the Linen and the Timber trade. I trusted, therefore, that he might see reason to give his aid in furtherance of the objects of the Petition; and I then pointed out the mode in which, as it appeared to me, it was in his power to promote the views of the petitioners with considerable effect. He was, I knew, on intimate terms of private friendship with Mr. Vansittart*, who was then Chancellor of the Exchequer; and I suggested how desirable it was to endeavour to learn, through Mr. Vansittart, how far the Government would be disposed to view favourably the presentation of such a Petition to Parliament, because I was very apprehensive, that without the implied countenance from Government, there was very little chance of any good being effected by the movement.

Mr. Thornton, after reading the Draft of the Petition, and expressing in general terms his concurrence in the tenour of it, obligingly consented to take an early opportunity of placing it in the hands of the Chancellor of the Exchequer. A few days afterwards I received a message from Mr. Thornton, desiring to see me at the Bank; and the purport of his communication to me there was, after returning me the Draft Petition, that Mr. Vansittart had shown the paper to Lord Liverpool, and that they (Lord Liverpool and himself) thought well of it, and were favourable to its being proceeded with.

Upon receiving this communication, which appeared to be

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* Afterwards Lord Bexley.

somewhat encouraging, I had the Petition engrossed; and then presented it to Mr. Thornton, with a request for his signature, attaching as I did great importance to having his name at the head of the list of subscribers. But he declined to give it, assigning some reason, the sufficiency of which I did not fully enter into, but which I felt that I had no right to question; for it did not at all follow that, because he had been induced, at my solicitation, to take the trouble of submitting the draft to the notice of a member of the Government, he should, therefore, be supposed to approve of and adopt the principles which were set forth in it, and to commit himself to that extent by affixing his signature. Therefore, although disappointed, I, of course, acquiesced in the objection, and proceeded to apply to other directors in the Bank parlour for signatures; but did not succeed in prevailing on more than three of them to sign; and this they did in such a manner as was calculated rather to deter than to invite other subscribers. I was so discouraged by the failure of this attempt, that I was on the point of abandoning all further proceeding in the matter, when, after the lapse of two or three days, Mr. Thornton intimated to me that, upon further consideration, he was willing to sign the Petition. This, accordingly, he did; and when I again presented it at the Bank, with his signature, more than half of the Court of Directors immediately signed it. Their readiness to do now what they had just before declined doing may be thus explained.

A great majority of the higher class of merchants were at that time, and had been from the days of Mr. Pitt, on the Tory side of politics, and were strongly attached to the Liverpool administration. Independently, therefore, of the general reluctance, which I have noticed on the part of merchants, to sign petitions which did not purport to have an immediate and specific object in view, they were likely to be further deterred in this case, by a doubt whether, in the prayer for a reform of commercial legislation, there might not lurk a leaven of the democratic principle of political reform, and of views opposed to those of the Government. Now, the signature of Mr. Thornton was a guarantee against anything in the Petition being considered as inconsistent with Tory principles; and it moreover afforded the presumption, from his known attachment to the Government, and his personal intimacy with some of the members of it, that the prayer for a revision and relaxation

of our commercial system was viewed favourably by the administration.

When a show of names of such mercantile eminence was exhibited at the head of the lists, a sufficient number of signatures readily followed.

As a preliminary step to the presentation of the Petition to the House of Commons, it was considered desirable by the principal subscribers, whom I consulted, that an interview should be solicited for a deputation, from the Petitioners, with the Head of the Government. This was done. The interview was granted, and took place on the 15th April, 1820. The deputation was a very small one, consisting of not more, including myself, than eight or, at the utmost, ten persons.

We were received, at Fife House, by Lord Liverpool, with whom were present the Chancellor of the Exchequer (Mr. Vansittart), and the President of the Board of Trade (Mr. Robinson, now Earl of Ripon), and, if I recollect rightly, but am not quite sure, Mr. Herries. Mr. Thornton, as head of the deputation, placed in the hands of Lord Liverpool a printed copy of the Petition, with a few words expressive of a wish, on the part of the Petitioners, that the principles set forth by them should, as far as circumstances would permit, be practically applied as the basis of the Commercial System of the country; at the same time disclaiming any expectation or desire for such great or sudden alterations as should have the effect of seriously disturbing important existing interests.

Lord Liverpool read the Petition aloud, sentence by sentence, very distinctly, and then addressed himself to the deputation in, as nearly as I can recollect, these words:—

"Gentlemen,—There is not a principle, not a sentiment, in "the Paper that I have now read, in which I do not entirely "and most cordially concur; and if I had to legislate for this "country *de novo*, or for a country like the United States of "America, having little or no public debt, these are the prin-"ciples upon which I would act. But in this country, which "is burthened with so heavy a Debt; in which so many vested "interests have grown up, and are so connected and compli-"cated with the existing commercial system, the case is very "different; and the question of any change in that system "ought not to be approached but with the utmost caution. I "cannot, therefore, on the part of Government, hold out the "prospect of any great or immediate alteration."

He then added, that he perceived that we prayed for a Committee of Inquiry; but that to this he was not yet prepared to consent; and he seemed inclined to dissuade us from pressing for it. Upon the whole, he expressed himself as seeing no objection to the presentation of the Petition to Parliament; and we considered that the interview had terminated as satisfactorily as we could reasonably have expected. A great point had been gained, in eliciting, as we had done, from the head of the Government, an explicit and unequivocal expression of opinion in favour of the doctrines and principles of Free Trade.

Having succeeded thus far, the next step to be taken was, to have the Petition presented to Parliament; and I proposed to the principal subscribers to the Petition, that Mr. Alexander Baring (afterwards Lord Ashburton) should be requested to take charge of it in the House of Commons, and Lord Lansdowne in the House of Lords.

In no stage of the preliminary steps towards the presentation of the Petition was there any public meeting, nor indeed any meeting at all of the subscribers. When I say that I consulted the principal subscribers as to some of the preliminary steps, it was only separately in the way of conversation with the individuals.

To its being presented in the House of Commons by Mr. Baring a ready consent was given, as it was considered that his being at the head of the greatest commercial establishment in the kingdom rendered him the proper channel for the purpose. But such was at that time the spirit of party feeling, and the prevalence of Toryism among the principal merchants of London, that Lord Lansdowne was objected to, on the simple ground of his being a Whig peer. As, however, I had already shown the Draft of the Petition to Lord Lansdowne, with an intimation that I would propose its being committed to his charge for presentation in the House of Lords, I declined being a party to its being placed in the hands of any other Peer. The consequence was, that it was not presented at all to the House of Lords; and Lord Lansdowne made a motion in the House of Lords, on the 26th May, 1820, without reference to the Petition.

When I called on Mr. Baring, with a verbal communication of the request of the principal subscribers to the Petition, that he would take charge of it, he readily consented, but strongly urged the omission of the concluding prayer for

a Committee. Indeed, if I recollect rightly, he positively declined to support that part of the Petition, because, he said, if upon his motion a Committee were granted, he should be expected to be the chairman of it, and that was a duty which he would, on no consideration, undertake. It would require more time and labour than he could afford to devote to it. In consequence of his objection on this ground, as well as for other more general reasons, I agreed to omit the prayer for a Committee, and this the more readily, because the omission would be conformable to the recommendation of Lord Liverpool. Mr. Baring presented the Petition on the 8th of May, 1820; and in the earlier sections of the Fourth Part of these two volumes I have given an outline of the measures which grew out of the debate on that occasion. I may say here, however, that a few days after the 8th May, the day on which the Petition was presented, Mr. Baring desired to see me, for the purpose of telling me that, on the previous evening, in the House of Commons, Lord Castlereagh had taken him aside, and intimated to him, that, on further consideration, the Government would consent to the appointment of a Committee; and Mr. Baring moved for a Committee accordingly, the motion being then agreed to as a matter of course.

Petitions similar in tenour to that presented by Mr. Baring, were presented to the House of Commons, from Glasgow on the 16th May, and from Manchester * on the 19th May, 1820; but in the preparation of these Petitions I had not any share.

It will be clear, I think, from the narrative I have now given, that whatever effect or success might attend the Merchants' Petition of 1820, was due principally to the favour with which its doctrines were regarded by Lord Liverpool and a portion of his Cabinet. There was nothing connected with the preparation or presentation of the Petition which could be construed into pressure on the Government; and the simple truth is, that the Government were, at that time, far more sincere, and resolute Free Traders than the Merchants of London.

* The present Earl of Derby, then Lord Stanley, who had then recently come of age, and entered Parliament for Stockbridge, spoke in favour of the Petition from Manchester. He said, "He hoped "that the liberal and enlightened views of the Petitioners on the sub-"ject of our Commercial Policy would be acted upon. Whenever "any such measure should be brought forward, he would give it "every support in his power."

My purpose in stating the circumstances under which the Petition had its origin, and of the steps taken preparatory to its presentation, is, independently of commemorating my own part in them, to do the justice which is due to Lord Liverpool's Administration for the manner in which they availed themselves of the Petition, and of the favour with which it was received in the House of Commons, to make an immediate beginning of a practical application of its principles. It was quite clear, from their conduct on that occasion, that they were in advance, not only of the public generally, but of the mercantile community, and that they were anxious for such an opportunity as was thus offered for making a commencement of reform of our prohibitory and protectionist system. And I am the more induced to do this justice to Lord Liverpool's Government for the part they had in the earlier stages of commercial reform, because it has been the fashion to consider Sir Robert Peel's financial measures in 1842, soon after his advent to power, as having constituted the era from which any important improvement in our commercial system is to be dated. I have no wish to detract from the fame which justly attaches to that eminent statesman for the part he took in the overthrow of the Protective System by the Repeal of the Corn Laws, at the expense of his party and his power. But until his advent to power in 1841 there is no trace of any fiscal improvements proposed by him. On the contrary, he offered a factious opposition to a measure brought forward by Lord Althorp in March, 1831, for a reduction of the duty on Foreign Timber, and was the means of defeating the measure.*

There cannot, I imagine, be any reasonable doubt, upon a review of the circumstances here stated, but that this Petition may be considered as having been the originating impulse to the movement which, by progressive steps, has led to the final establishment of the principles therein enunciated, as the rule of conduct to be followed in the commercial legislation of this country.

It may be true that a movement in the same direction, lead-

* Lord Althorp's proposal was to reduce the duty on Baltic timber from 49*s.* to 40*s.* per load, by three abatements of duty, to take place on 1st Jan. 1832, '33, 34. On 18th March, 1831, the plan was rejected by 236 against 190; Sir Robert Peel strenuously aiding the opposition.

ing to the same results as those we are now witnessing, would eventually have taken place, had no such petition been presented. At the same time it may be fairly claimed for it, that it communicated the first impulse to the Government, to the Parliament, and to the Public, towards a systematic revision of the whole of our Commercial Legislation, and consequently, that but for the presentation of that Petition, the movement would not have taken place so soon, nor assuredly at that precise time. This view of the influence which the enunciation of the principles thus set forth exercised in originating the movement, and of its consequently constituting an æra in the history of the Commerce of this country, is borne out by the subsequent occasional references to it, and quotations from it, when alterations in the Protective System, in the earlier years of the progress of that movement, were under consideration.

# APPENDIX II.

## AN INQUIRY

CONCERNING

(1.) THE EVIDENCE AVAILABLE FOR ASCERTAINING THE RANGE OF PRICES IN ENGLAND AND FRANCE, PRIOR TO THE INFLUX OF THE PRECIOUS METALS FROM AMERICA IN THE SIXTEENTH CENTURY; —

AND

(2.) THE EVIDENCE AVAILABLE FOR ASCERTAINING THE PROGRESS AND MAGNITUDE OF THAT INFLUX, FROM 1492 TO 1830; AND THE NATURE OF THE CHANNELS AND PROCESSES BY WHICH IT HAS BEEN ABSORBED; —

WITH

(3.) *The Introduction of a* TABULAR STATEMENT, *reduced to an Uniform Standard of* MONEY *and* MEASURES, *of the Series of* PRICES *of* WHEAT *in* ENGLAND *and* FRANCE, *for the period from the Year* 1400 *to the present Time, as collected by Sir Fred. Eden, Marquis Garnier, Du Près de St. Maur, and the French Statistical Commission, and as preserved in the Eton and Oxford Registers.*

### I. — *Introduction.—Outline of the Inquiry, and of the Method of Procedure.*

IN the extensive Tables attached to this Appendix, I have endeavoured to reduce, at least to some extent, into systematic and convenient order, the authentic evidence available to us for judging of the Prices of Wheat, in this country and in France, from the commencement of the Fifteenth Century (say from the year 1401) to the Present Time.

It is not surprising, perhaps, that hitherto but few attempts have been made to accomplish the same, or a similar object; for it must be confessed that, involving, as the inquiry does, dry and tedious processes of comparison between fluctuating and conflicting systems of measure and currency; and offering, as regards a considerable portion of the period to be embraced, at the best, but unsatisfactory results; the temptation to expend time and labour on the enterprise is not of the strongest kind.

It seems to me, however, that treating specifically of Prices at a juncture when all who interest themselves in economical inquiries are anxiously observing the effect produced by the New Supplies of Gold on the value in money of Commodities and of Labour, it was incumbent upon me not to omit any means in my power of throwing light on the Present, by exhibiting, as faithfully and lucidly as I was able, the testimony afforded by the events of the Past.

Hence it is that I have been led into the researches, the result of which I embody in this Appendix.

In all, or nearly all, the attempts which have been made to estimate the changes in the Price of Corn (or, more accurately, in the Price of Wheat, as the best and fairest exponent of the staple article of food) during the last three or four hundred years, and particularly during the sixteenth and seventeeth centuries, it has been the misfortune of the inquirer to place before him only one series of facts; and to found his conclusions on the inferences which that single series appeared to justify. For example, the series of annual prices furnished by the Eton Tables, from the year 1595, have been generally adopted as the standard of reference in this country. In France the Prices commencing in 1596, compiled in 1746 by Du Près de St. Maur, from the registers of the small town of Rosoy en Brie, preserved in the archives of the Chapter of Notre Dame, who were Seigneurs of Rosoy, have been generally employed as the standard of reference. And theories have been built up and pulled down, in obedience to the supposed evidence of those isolated lines of recorded observations.

It seemed to me, therefore, that the first thing to be done was to reduce, to a Common Measure of Quantity and Money, the independent but authentic Series of Prices existing in this country and in France; and having arrived at an Uniform Expression of the same facts for each year, then to fix upon some

convenient mode of exhibiting the results in juxtaposition. By this means we may hope to escape the necessity of depending upon a single authority only; and we may hope, in doubtful cases, to derive at least a presumptive inference from a consideration of conflicting statements.

## II.—*The Three Groups of Years, and Authorities available.*

Let us then, in the first place, refer to the amount of Authentic Evidence open to our treatment.

It will be seen that the annexed Tables are divided into three principal groups.

The First Group embraces the period from 1401 to 1580.—The Second Group embraces the Period from 1581 to 1770.—And the Third Group includes the years from 1771 to 1855.

The adoption of this division is a consequence of the different character of the evidence available for each period.

For the First Period—1401–1580—we have no continuous Series of Annual Prices; but are dependent upon casual quotations, to be found in records and writings, where the occurrence of such memoranda at all is mostly accidental.

From 1581 to 1770, we have several independent Series of Annual Quotations, nearly perfect as regards consecutive order; and in a high degree systematic in their object and origin.

From 1771 to the present time, there are Official Series of Annual Average Prices, obtained under legislative authority, and deduced, by paid public officers, from national records.

For the First Period, from 1401 to 1580, it will be seen that the authorities employed are,—as regards England, the Collection of Prices contained in the Fourth Volume of Sir Frederick Eden's "State of the Poor," published in 1797;—and, as regards France, the statement of Prices of Wheat in France, given by the Marquis Garnier, in the Second Volume of his (second) edition of the "Wealth of Nations," published at Paris in 1822.

For the Second Period, 1581 to 1770, the authorities employed are—for England, first the Eton Tables, originally published by Bishop Fleetwood, in 1745, in his "Chronicon Preciosum," but then commencing only with the year 1646, and carried back to the year 1595, by Adam Smith; and secondly, the Oxford Tables, commencing in 1583, first published by Mr. Lloyd, in a small tract printed at Oxford in

1830:—for France, the Tables given by Garnier, already noticed; and the Rosoy Tables, commencing in 1595, and (as already stated) first printed by Du Près de St. Maur in 1745, in his "Essai sur les Monnoies."

For the Third Period, 1771 to 1855, we have—for England, the official averages obtained under the Corn Acts, and first obtained under the Act of 1770; and in France, the statement of average annual prices commencing in 1756, prepared, in 1837, by a Royal Commission, from the records preserved in the various Bureaux.

### III.—*Prices collected by Sir Frederick Eden. Period*, 1401—1580.

At the end of half a century the collection of Prices of Commodities and Labour, extending over the long period between the years 1125 and 1619, made by Sir Frederick Eden in 1797, still remains the most complete and accurate compilation of the kind in our language; remarkable—not less for the industry and learning directed to the accumulation of so many facts from so large a number of faithfully cited authorities;—than for the philosophical spirit in which the results of the investigation are discussed, and for the lucid order in which the series is arranged.

The elaborate and learned Collection of Prices from 1126 to 1633 (extending to forty quarto pages) appended by MacPherson to his "Annals of Commerce," is, in many respects, not inferior to the Table framed by Eden.

From the Preliminary Note attached by Sir Frederick Eden to his Table of Prices, we may, with great advantage, extract the following passage:—

Speaking of the Period 1125 to 1610, he says: "Tables of Prices are not altogether free from several objections, which ought to render us extremely cautious in drawing conclusions from any single, although well authenticated, fact. The accounts, for instance, of the Prices of Grain are, in general, only those which, from the particular circumstances of the time, attracted the attention of the annalist: they are usually the prices in dearths and famines, or in years of extraordinary cheapness; and are, therefore, no very accurate criterion of the mean or ordinary price. It is often impossible to ascertain the capacity of the measures that were used; or to point out places where the prices were taken.

"In the distracted state of this country, from the Twelfth to the Fifteenth Century, the intercourse between the different parts of the Island was interrupted; the want of good roads, an injudicious system of agriculture, and the desolating incursions of rival barons, often prevented one part of the Kingdom, where the crop was scanty, from being supplied with superabundant produce of another.

"It is further to be remarked, that, in stating both the Prices of Labour and Commodities, authors have often been misled by the *composition price* agreed upon between Landlord and Tenant, perhaps, according to some ancient valuation. In some instances, it is difficult to distinguish whether the Rent of Land, as stated in ancient records, is the whole benefit the landlord received; or whether the personal services of the Tenant did not constitute by far the most valuable part: in others, whether the Price of Grain is the Price for which it sold in the market, or the quota which, in ancient times, Tenants paid to their Landlords in lieu of a rent in kind; and which was always much below the market price. Thus, the sum of 8*s.*, which is mentioned fifteen times in the 'Chronicon Preciosum' as the Price of Wheat between the year 1444 and the year 1562, it appears was a Composition Price, agreed upon between the landlord and tenant; and continued the same for several years together." (*State of Poor*, IV., App. i. vii.)

The Prices quoted by Sir Frederick Eden are uniformly in the money current at the time of the transactions themselves; that is to say, the figures employed represent the *ancient* prices, as handed down to us in the *ancient* money; and no attempt was made by Sir Frederick Eden, in his quotations, to modernise the money notation, by reducing it to the standard of the coinage of the time (1797) at which he wrote.

It is necessary to have this circumstance clearly stated, and to understand that, in order to exhibit the Prices of Corn given by Sir Frederick Eden, for the period 1401—1580, in an uniform modern money notation, it is necessary to apply a Conversion Table, so adjusted as to give the true relation of the Ancient Coinages, as altered from time to time by the King's Proclamation, to the coinage of the present time. For our present purpose it is not difficult to frame a Conversion Table of sufficient accuracy, nor to apply it with success. And it will be necessary, before I conclude, to enter into further details on this subject, and to supply the needful data for adjusting the Ancient Prices. We shall find, however, that since the year 1553, the English Silver Coinage has been so nearly uniform in

intrinsic value, as regards the quantity and fineness of the metal, that the necessity for any adjustment whatever ceases practically with the year (1553) mentioned.

## IV. — *The Marquis Garnier's Table of French Prices,* 1401—1822.

The Table employed, as regards France, for the Period 1401—1580, is contained in the Marquis Garnier's French edition of the "Wealth of Nations," published at Paris in 1822, and is described (tome II. p. 183.) as "Tableau du prix du Sétier de "Blé, mesure de Paris, pendant les xiii^e^, xiv^e^, xv^e^, xvi^e^, xvii^e^, "et xviii^e^ siècles," the quotations being headed as "Prix évalué "en monnaie actuelle." Garnier continues this Table from 1202 to 1785. It will be seen that I employ it, for purposes of juxtaposition, in the Rosoy Table, till 1755; and with 1756 replace Garnier's table by the quotations given in the volumes of the French Royal Commission of 1837.

Garnier first introduces (tome II. p. 173–6) the Windsor Table, 1595—1750, in the form of figures given by Adam Smith, and attaches a note explanatory of the Windsor Table. He then proceeds as follows, as regards corresponding evidence available in France.

"On a publié, en France, plusieurs tables du prix des grains; la plus récente est celle qui a été donnée par l'estimable auteur de la Balance du Commerce (feu M. Arnaud), et qu'il annonce avoir copiée sur celle de Messance. Mais les tables de Messance, qui ne comprennent que la période écoulée entre 1674 et 1763, sont un relève des prix du meilleur froment vendu au marché de Paris, et les prix de ce marché n'ont pas toujours été le résultat naturel de l'influence des saisons et des libres efforts du commerce. On sait que, dans les années de grande cherté, le Gouvernement a employé des moyens extraordinaires pour maintener le prix des grains dans le marché de la capitale à un taux fort inférieur à celui qui aurait eu lieu sans l'intervention du pouvoir. Ainsi, pour en citer un exemple, dans la grande cherté de 1694, le prix du setier de Paris se trouve indiqué dans les tables de Messance, a 52 livres 2 sous 6 deniers, environ un marc d'argent; le prix du bichet de Lyon, pour la même année, est porté sur le même pied; et comme cet auteur a dressé ses tables sur les prix du froment de première qualité, qui est communément de 20 pour cent plus cher que le blé destiné a la consommation générale, le prix courant de 1694 aurait été, si l'on s'en rapporte aux tables de Messance, de 40 francs environ de notre monnaie actuelle pour le setier de

Paris, et 8 francs pour le bichet de Lyon, cinquième du setier de Paris. Mais la réduction du prix de marché dans l'une et l'autre de ces grandes villes a été l'effet de dépenses extraordinaires faites par leurs magistrats municipaux pour adoucir le poids de la disette et le rendre plus supportable à leurs administres. Il est prouvé par tous les monumens de cette époque, que le prix du blé a monté fort au-dessus des sommes indiquées dans les tables de Messance. Lamarre, dans son Traité de la police (livre V, titre IV, chap. 16 et 17.), expose les moyens violens qui furent mis en œuvre pour faire arriver des blés à Paris, et notamment l'envoi de commissaires chargés de faire des recherches chez les laboureurs et les marchands, et d'informer contre tous ceux qui se trouveraient avoir des provisions au-delà des besoins de leur consommation. 'Cette mesure (qui 'eut lieu au mois de juillet 1694) fit baisser, dit-il, le prix du blé 'au marché de Paris, de 54 livres qu'il avait été jusques alors, à '36 livres, puis à 32 livres.' Il rapporte aussi qu'en 1698, où la même mesure fut renouvelée, les commissaires trouvèrent chez les laboureurs du blé de 1693 'que ceux-ci avaient laissé gâter, plutôt 'que de le vendre à 50 livres, prix alors courant dans la province, 'dans l'esperance que la denrée s'eleverait encore au-dessus de ce prix 'exorbitant.' Or, il ne faut pas perdre de vue que, dans le temps où Lamarre écrivait ceci, le marc d'argent étant à 30 livres, une somme nominale de 50 livres contenait un marc et deux tiers, et, par conséquent, répondait à 90 francs de notre monnaie actuelle: ainsi la table suivante, dans laquelle le prix moyen du blé, pour l'année 1694, a été formé sur quatre prix de la même année recueillis par Dupré de Saint-Maur, et indiqué à 60 francs 99 centimes, est encore plutôt au-dessous qu'au-dessus du véritable prix de l'année, quoique de plus de moitié supérieur à celui de la table de Messance.

"Une table fidèle du prix des blés en France était une pièce nécessaire, dans un ouvrage tel que celui-ci. *Aucuns soins n'ont été négligés pour que celle qui suit fût aussi étendue et aussi exacte qu'il était possible de le desirer. Les années de cherté excessive en ont été retranchées, lorsque cet accident a été évidemment causé par des circonstances tout-à-fait indépendantes du cours naturel des valeurs:* elle a été continuée jusqu'à l'année 1788 inclusivement. La fameuse cherte de 1789, qui ne fut pas uniquement produite par une rareté réelle de la denrée, les désordres que les assignats de 1790 ont jetés ensuite dans le rapport nominal des valeurs, et les variations brusques et multipliées que le prix des subsistances a subies pendant cette longue suite de troubles civils et de guerres extérieures qui ont désolé le royaume pendant tout le reste du dix-huitième siècle, sont des événemens qui appartiennent à l'histoire, et non aux froides et paisibles méditations de l'économie politique." (*Garnier, Richesse, &c.*, tom. II. p. 179., 2nd ed. 1822.)

Garnier does not give any detailed statement of the sources from whence he obtained the materials of his Table, parti-

cularly of the earlier portions of it. It is known that the documentary bases for such a compilation are by no means scanty in France, when sought for by a competent and diligent inquirer; and when we find it stated that "Aucuns soins n'ont "été négligés pour que celle (table) qui suit fût aussi étendue "et aussi exacte qu'il etait possible de le desirer," we are bound to conclude, when the results are presented by a writer so justly eminent as the Marquis Garnier, that they are results entitled to attention.

The Garnier Table is given in the Old Measure of the *Sétier de Paris*, and the Ancient Prices are all converted into modern French money (francs and cents). For our present purpose, this mode of statement saves me considerable labour, and I accept the Conversion of the Coinage, as well as the accuracy of the ancient prices, on the authority of the Compiler. It would have been more satisfactory, however, if the original figures had been in some form introduced.

An illustration of a remark made at the commencement of this Appendix is furnished by the insertion, even by the Marquis Garnier, of two series of English and French prices of Wheat, but in two separate parts of the volume, and in measures and money so entirely dissimilar, as to preclude any easy collation.

## V. — *The Windsor or Eton Table*, 1595—1770; *and the Oxford Table*, 1580—1770.

The Windsor or Eton Table of the Prices of Wheat and Malt commences in 1595. The titles Windsor and Eton are used indiscriminately; but the actual fact is, that the prices were those of the Market of the Borough of Windsor (Berks), collected for the purposes of the immediately adjacent College of Eton. For the present purpose the prices of *Malt* have been omitted.

Sir Fred. Eden gives the following explanation of the mode in which the Eton Register was formed.

"The Windsor prices were formed from the Lady-day and Michaelmas prices, which were put together, and the half was then taken for the common price of the year. The tax has been deducted from the price of the malt.

"The way the College (Eton) comes at these prices is this: The college baker and brewer attend Windsor market on the market-days immediately before Lady-day and Michaelmas, and bring an

account of the highest prices that Wheat and Malt are sold for in the market on those days, to the Provost and Fellows: and it cannot be doubted but they are taken with great care; for, according to the prices, the rents are settled for the current year; it being only left to the tenant's option whether he will pay in wheat and malt in kind, or in money at the market price. *As these are the prices of the Best wheat and malt, and the bushel at Windsor contains nine gallons,* they by no means give a true state of the mean or middle prices of the Corn or Grain; or what the value would have been of all the wheat fit for bread, and all the malt made from all the barley fit for that purpose, supposing the whole of each to have been mixed together in two distinct heaps; or what each of them would have been worth, or have sold for in each year; or what the respective averages at the times above noted would have been.

"But yet the same may be found from them with great exactness, by deducting one-ninth for the difference of the bushel above the statute measure, and then one-ninth more from the remainder; for it hath been found that the value of all the wheat fit for bread, if mixed together, would be eight-ninths of the value of the Best Wheat; and the same proportion may reasonably be supposed in Barley." (*State of Poor,* IV. p. lxx.)

The actual record at Eton was the price per *Windsor Bushel* of *Nine* gallons (instead of eight gallons); and Fleetwood gave the Windsor prices on this basis, multiplying, however, the Bushel price by eight, and arriving, of course, at a Price per *Quarter* of *Nine* (instead of eight) bushels. Following Fleetwood — Adam Smith, Eden, and nearly all other writers, continued to quote the Windsor Prices as for the Quarter of *Nine* Bushels, or for a measure one-ninth *more* than the common Eight-Bushel Winchester quarter; and it would not be easy to estimate the errors and confusion which have arisen out of this unfortunate diversity.*

* I may quote from the learned and conscientious work of M. Horace Doursther, entitled "Dictionnaire Universel des Poids et Mesures anciens et modernes," one of the most concise and clear accounts of the Old Winchester measure. Under the article "Boisseau," he says: "Le Bushel ou Boisseau de Winchester que était autrefois la mesure légale de tout le Royaume faisait la 8e partie du Quarter, et se divisait en 4 pecks=8 gallons=16 pottles=32 quarts=64 pints; ses dimensions étaient de 18½ pouces de diamètre sur 8 de profondeur=2150·416 pouces cubes Anglais=1776·39 pouces cubes de Paris=35·24 litres. Cette mesure (the Winchester Bushel) a été remplacée depuis 1 May, 1825, par le Bushel Impérial, qui est aujourd'hui la mesure légale de toute la Grande Bretagne. Il se divise comme l'ancien Bushel, et contient 2218·19

I have been careful to reduce all the measures from 1580 to 1770 to the *Winchester Eight Bushel* Standard.

The version of the Eton Prices (1646—1770) employed is that contained in the Second Volume of this Work (Hist. Prices, ii. 387–9), and are those certified to the Parliamentary Committee of 1814, on Corn, by Edward Brown, the then Registrar of Eton College.

The prices of 1595—1645 are obtained from Adam Smith.

Sir Fred. Eden considers that from the Windsor price per Quarter of *Eight* bushels, there ought still to be deducted one-ninth, in order to come at the price of *ordinary* or average wheat.

Mr. Lloyd has pointed out that the Eton registers of the prices of Wheat arose out of the statute 18 Eliz. cap. 6. (passed 1576,) which enacted that in all College Leases to be thereafter made, at least one third part of the old rent should be reserved in Wheat and Malt, after the rate of 6*s.* 8*d.* per Quarter for Wheat, and 5*s.* per Quarter for Malt; and such rents, unless delivered in kind, were to be paid after the rate at which the best wheat and malt should be sold the next market day before the rent fell due.

This statute was one of the contrivances of that time to protect the recipients of fixed incomes from the effects of the influx of the precious metals then in progress from the New World. The old rates of 6*s.* 8*d.* and 5*s.* were obtained from the preceding (the 15th) century; and the effect of the composite rent, ordained by the 18 Eliz., was, for example, in the case of an ancient rent of 6*l.*, to renew the lease at the rate of 4*l.* in money, and the market price from year to year of *three* quarters of Wheat ($3 \times 6s. 8d. = 1l.$), and *four* quarters of Malt ($4 \times 5s. = 1l.$). If, therefore, the price of the quarter of Wheat rose to, say 40*s.*, and of Malt to, say 30*s.*, the actual rent in money under the lease as amended under the 18 Eliz., would be 16*l.*; viz., 4*l.* in money; 6*l.* for three quarters of Wheat; and 6*l.* for four quarters of Malt.

pouces cubes Anglais=1832·37 pouces cubes de Paris=36·35 litres." (*Dictionnaire, &c.*, 8vo. Bruxelles, 1840.) M. Doursther dates his Preface from Antwerp in 1840, and he describes his Collections as originally intended only for Private use. He may be assured that their publication has conferred a real service on the public.

The Oxford Tables* of the Prices of Wheat were obtained in consequence of their compiler, the Rev. W. F. Lloyd, of Christ Church, being led to observe that the Eton Prices had been collected in pursuance of the statute just referred to, viz., the 18 Eliz. cap. 6. It immediately occurred to Mr. Lloyd, that in all probability similar Series of Prices were preserved in other Colleges; and he describes his Tables as "derived "from original documents preserved at Oxford among the ar- "chives of the University, and the accounts of private Colleges;" —and the Oxford Prices, as given in this Appendix, from 1583 to 1770 (pp. 32—42. of his tract), are given by Mr. Lloyd, "as obtained from the accounts of the Rents of different Col- "leges," as those rents were adjusted under the grain pay- ments required by the 18 Eliz.

The Prices are given by Mr. Lloyd for two dates in each year, Lady-day and Michaelmas; and the price employed in the annexed Tables is the *mean* price of the two quotations. The construction of the column of Oxford Prices, therefore, corresponds exactly with that of the column of Eton Prices.

As including a larger surface of observation, it is pretty certain that the Oxford Prices are a better authority than those of Eton.

## VI. — *The Rosoy Table of Duprès de St. Maur*, 1596—1746.

The Rosoy Table is described by St. Maur as follows: — "Afin de fixer encore mieux les idées, en ne changeant ni de "lieu, ni de mesure, ni de nature de denrées, je vais donner les "Prix du Setier du meilleur Froment et de la meilleure Avoine "vendus à Rosoy en Brie, depuis 1596 jusqu'à présent [that is, "to 1745]. Ils m'ont été délivrés par une personne très-labo- "rieuse, très-exacte, et revêtue du caractère d'officier public, "dans la forme qui leur donnerait foi en justice s'il était ques- "tion de juger un procès pour des arrérages d'une rente en "grains. Les Registres de Messieurs du Chapitre de Notre "Dame de Paris, qui sont Seigneurs de cet endroit, en con- "firment encore la vérité."† St. Maur then enters into details

* Prices of Corn in Oxford in the beginning of the 14th Century, and also from the year 1583 to the present time, by Rev. W. F. Lloyd, M. A., Student of Christ Church, Oxford, 1830. (A tract of 100 pages.)

† Essai sur les Monnaies; Paris, 4to., 1746, p. 164. App.

connected with the reduction of the Rosoy measure to the Paris standard. The quotations are given for four dates in each year, namely, the first market days in January, April, July, and October. In the year 1629 the Plague suspended all markets from 29th September to 24th November; and again in 1637, from 19th September to 12th December.

The quotations are given by St. Maur in the Original Prices of the money of the several years; and in exhibiting the English Equivalent (according to the Winchester eight-bushel quarter) of the Rosoy Table, care has been taken to make proper corrections for the variations between 1596 and 1745 in the relative values of French and English Coinages.

Paucton, in his "Métrologie" (pp. 897—903), adopted the Rosoy Table, and took vast pains in modernising the figures given by St. Maur, into a notation corresponding with the money of the time, 1780, at which he wrote; and among the most remarkable of the contents of Paucton's quarto is the elaborate exhibition, extending to thirty-four pages (pp. 905—939), of the variations in the French Coinage from the year 1226 to 1726. One of the principal objects of this exhibition was to enable Paucton to convert readily the Old French Prices into their modern equivalents.

### VII. — *The English Official Prices after* 1770; *and the French Official Prices after* 1756.

We now arrive at the Third Division of the Tables, namely, the Division embracing the Period from 1771 to 1835. And the quotations in the whole of this division admit of being drawn from official sources of a highly satisfactory character.

The act 10 Geo. III. cap. 39, passed in 1770, was the first in the long and intricate series of Corn Acts, which provided efficiently for a public register of the Prices of Corn throughout the year, in the several counties of England, Wales, and Scotland. It enacted, that the Justices, in Quarter Sessions, should arrange for the transmission, to an office in London, of the weekly prices of wheat, rye, barley, oats, and beans in England; and of bere and big in Scotland; from not less than two, nor more than six, towns in each county. The Inspector of Corn Returns was required to publish an abstract of the returns, weekly, in the "London Gazette," and to certify, to the Clerk of the Peace of each county, the weekly prices as ascertained within that county. The first publication in the "London

Gazette," under this act, took place on 24th November, 1770; and from that date, accordingly, there are satisfactory means of ascertaining the true average prices of Grain in Great Britain. Several subsequent acts have, of course, modified and improved the machinery from time to time.

The original returns, under the act of 1770, were in the Winchester Eight Bushel Quarter. But in the Tables of Revenue and Population for 1841 (p. 69.), the late Mr. Porter gave a version of the annual average prices, since 1770, in England and Wales, of wheat, barley, oats, rye, beans, and peas, according to the *Imperial* Quarter,—that is, according to the measure which has been in use since 1825. The figures employed in the annexed Tables are those of Mr. Porter.*

The statement of average annual prices of Wheat in France, from the year 1756, has been obtained from the report of the Statistical Commission, appointed by Louis Philippe, early in his reign.

In 1837, under the title of "Archives Statistique du Minis-"tère des Travaux Publiques de l'Agriculture et du Commerce," a quarto volume of valuable returns was published. This volume was introduced by a report to the King, by M. N. Martin (du Nord), the Minister of the Department; and from that report I quote the following statement of the manner in which the average annual prices of wheat for the whole of France were formed.

"Des états du prix du Froment de 1756 à 1790, par Géné-"ralités, et de 1797 à 1835 par Départements ont été tirés des "mercuriales officielles. La lacune entre ces dates répond à des "années où les Assignats et le Maximum avaient amené une "grande perturbation, et où par conséquent les chiffres ne pour-"raient être qu'insignifiants.

"Depuis 1806 les mercuriales sont recueilliés deux fois par "mois, non seulement dans les chefs-lieux des Départements "et des Arrondissements, mais dans tous les marchés principaux "de chaque contrée. De la réunion de ces documents sont "formes des prix moyens, et des tableaux mensuels." (*Rapport au Roi*, 1837.)

For the years subsequent to 1835 the statement of French averages has been drawn from the Official returns.

* The useful Parl. Pr. 460/1850, obtained by Mr. Arch. Hastie, contains very full returns relative to Corn from the year 1800 to 1850.

I have now explained the sources and character of the evidence upon which the sufficiency and accuracy of the Series of Prices rests.

VIII.—*The leading Epochs in the Progress of the Influx of the Precious Metals in the Sixteenth Century.*

Let us now see:—

(1.) What was the general order of the events connected with the principal influx of Gold and Silver into Europe, as a consequence of the discovery of America in 1492:—

(2.) What have been the opinions hitherto held by competent authorities, forming the best conclusions they could from such evidence as was available to them, of the course of Prices in the Sixteenth and Seventeenth Centuries:—

And (3.) to what extent, if at all, these opinions and views ought to be modified, in consequence of new or more systematic evidence now presented.

In 1502 Columbus sailed along the Coast of Darien;—in 1526 the Spaniards first visited Peru;—in 1533 Pizarro became master of that country. In 1529 Cortes had taken the City of Mexico.

Till about 1525 but little Silver arrived in Europe from America. Silver mining was begun in earnest after the Spaniards obtained possession of Peru and Mexico. The receipts of the precious metals in Europe, till about 1525, were confined merely to such quantities of *Gold* as were obtained by force, or persuasion, or purchase from the Indian natives. The great *Silver* Mine of Potosi, in Peru, was discovered and brought into operation in 1545. But, from 1545 to 1571, the ores obtained from all the Silver Mines were reduced into metal by the slow and expensive process of smelting. In 1557 the method of obtaining the metal from silver ore by the process of Amalgamation with Mercury, was discovered; and it is said that the treatment by way of amalgamation extracted, from a given quantity of ore, a quantity of metal larger, in the proportion of $3\frac{1}{2}$ to 1, than the quantity obtainable by smelting. But until the discovery, in 1567, of the great Quicksilver Mine of Huancevalica, in Peru, and the introduction of that mine into full operation about 1571, there was no adequate supply of mercury procurable, at a reasonable price, for purposes of silver mining.

Limiting our view at present to the period prior to the year

1600, there are then four distinct Groups of Years, with reference to each of which it is desirable to ascertain, in the first instance, as far as possible, the average annual produce of the Gold and Silver Mines of the New World; namely,—

(1.) From the discovery of America, in 1492, to the occupation of Mexico about 1525.

(2.) From 1525 to the discovery of the Potosi Silver Mine in 1545.

(3.) From 1545 to the year 1571, when an abundant supply of Quicksilver was first procured for the purposes of the amalgamation processes.

And (4.), from 1571 to the year 1600, or during the first thirty years of the application of an effectual method of working Silver Ore to the virgin silver mines of the New World.

## IX. — *Mr. Jacob's Statement of the Magnitude of the Supplies of Gold and Silver*, 1492—1600.

Mr. Jacob, in his second volume* (*Precious Metals*, cap. 17.), has stated the result of a very careful investigation applied by him to the results given by Humboldt on these four questions; and hitherto the authority of Mr. Jacob is the highest to which we can appeal.

By collating several portions of Mr. Jacob's work, I am able to frame the following abstract:—

| | |
|---|---|
| (I.) That from 1492 to 1521, the date adopted by him as representing the occupation of Mexico, the additions made to the previous stock of the Precious Metals, from all sources in America (those additions being principally in *Gold*), were equal, for the 29 years, at an Annual Average rate of 52,000*l.*, to a Total amount of - - - | £1,508,000 |
| (II.) That for the 25 years from 1521 to the discovery of the Silver Mine of Potosi in 1545, the additions of Gold and Silver, from all sources in America, were equal to an Annual Average rate of 630,000*l.*, or to a Total amount of - - | 15,750,000 |
| | £17,258,000 |

* An Historical Inquiry into the Production and Consumption of the Precious Metals, by Mr. Jacob, F.R.S. London, 2 vols. 8vo. 1831.

| | | |
|---|---|---|
| Brought forward - - - - - - | | £17,258,000 |
| (III.) That for the 32 years from 1546 to 1577 (the final year of a period commencing in 1556, with reference to which Humboldt was able to obtain specific returns) the Average Annual produce of *Silver* at the Potosi Mine was 440,000*l.*, or equal to a Total of - | 14,080,000 | |
| To which is to be added, for *Gold and Silver* obtained from all other sources, in America, an Average Annual amount of 1,660,000*l.*, equal to - - - | 53,120,000 | |
| | | 67,200,000 |
| (IV.) That for the 22 years from 1578 to 1600, the Average Annual produce of *Silver* at the Potosi Mine was 280,000*l.*, or equal to - | 6,160,000 | |
| To which is to be added, for *Gold and Silver* obtained from all other sources, in America, an Average Annual amount of 1,820,000*l.*, equal to - - - | 40,040,000 | |
| | | 46,200,000 |
| *Gold and Silver produced from All Sources, in America,* 1492 *to* 1600 - - - - | | 130,658,000 |
| To this result is to be *added* Mr. Jacob's Estimate (II. 53.) of the "quantity of the precious "metals in existence in the *ancient world* in 1492," say - - - - - - - - | | 33,342,000 |
| | | 164,000,000 |
| And also his Estimate (II. 62.) of the quantity of Gold and Silver produced in *Europe* from 1492 to 1600; viz., a production equal to an Average Annual rate of 100,000*l.* for the 54 years from 1492 to 1546, and of 150,000*l.* for the 54 years from 1547 to 1600, amounting to a Total of | | 13,000,000 |
| *Giving, as the Total Quantity* existing in 1492, and *produced from* 1492 *to* 1600 - - | | £177,000,000 |

| | |
|---|---|
| Brought forward - - - - - - | £177,000,000 |
| From this Total must be *deducted* Mr. Jacob's Estimate (II. 63.) of the loss, by consumption in the arts, &c., during the 108 years — 1492 to 1600 — a loss which he computes at $\frac{1}{360}$th per annum, or rather more than a *Quarter Per Cent.* (say 5*s.* per 100*l.*) *Per Annum, amounting in the Aggregate* to - - - - - - - - - | 22,000,000 |
| *Leaving, as the quantity of Gold and Silver "in existence" in Europe, Africa, and America* (II. 62.) *in the year* 1600, *say* - | 155,000,000 |

Mr. Jacob considers that, about 1492, the Annual Production of Gold and Silver did not suffice to do more than replace the Annual Consumption for various purposes. He considers also (II. 54.) that, about 1546, the "whole quantity of Gold and "Silver in existence may, perhaps, be fairly estimated at 50 "Millions sterling;"

And hence (II. 63.), that the total existing stock of 155 Millions in the Year 1600, was equal to, say —

Five Times the quantity in existence in 1492,
and
Three Times the quantity in existence in 1546.

It is stated, by other authorities, that the proportion of *Silver* so greatly exceeded the proportion of *Gold* in the new supplies of the Precious Metals in the Sixteenth Century, that the quantity of Silver brought forward was *Sixty* times greater than the quantity of Gold.

When the Potosi Mine was first opened in 1545, it is said that each quintal (100 lbs.) of ore yielded 50 per cent. (that is, half the weight) of Fine Silver. But this degree of fertility did not continue long. In 1574 the yield of pure silver was probably not more than a fourth or fifth of the proportion yielded in 1545; and Humboldt says that, as the general result of the silver mines of the New World, the degree of productiveness had diminished, from 1574 to 1789, in the ratio of 170 to 1. At present it is said that the average yield at the Mexican Silver Mines of a quintal (100 lbs.) of ore, is not more than 3 or 4 *ounces* of Silver.

We must remember, therefore, that if the effective application of the Amalgamation Process, by means of a plentiful

supply of Quicksilver, about the year 1571, increased the yield from the *Ore* in the ratio of 3½ to 1, still the fertility of the *Mines* had *diminished* about the same time, as compared with 1545, in a still greater proportion. It would seem, therefore, that the economy of cost of production, arising from the use of quicksilver; was not equivalent to the enhancement of the cost of production arising from the smaller quantities of silver ore obtained even by the great additional labour applied to overcome the difficulties of constantly receding veins of metal.

## X. — *The same, as regards the Supplies,* 1601—1700.

Taking the next step in the inquiry, and extending our view to the facts *Subsequent to* 1600, Mr. Jacob (II. 131) estimates:

| | |
|---|---|
| (V.) That during the 100 years from 1600 to 1700 the Average Annual produce of *Gold and Silver* in America (3,075,000*l.*), Europe and Africa (300,000*l.*), was together, say, 3,375,000*l.*, and therefore equal to - - - - - - | £337,000,000 |
| That from this amount must be *deducted,* for Loss, Abrasion, and Casualties during the same 100 years - - - - - - - - - | 77,000,000 |
| *Leaving* - - - - - - | 260,000,000 |
| To which is to be *Added* the quantity already estimated as in existence in Europe, Africa, and America, in the Year 1600, viz. - - - - | 155,000,000 |
| *Giving as the Total Stock up to the Year* 1700 | 415,000,000 |

Of the manner in which this Gross Stock and Produce of 415 Millions sterling of Gold and Silver, appearing in the year 1700, had been distributed, Mr. Jacob (II. 70.) gives the following Estimates, viz.: —

| | |
|---|---|
| (VI.) That during the 108 years from 1492 to 1600, there was Exported to India and various parts of Asia, *one-tenth* part of the whole quantity of the Gold and Silver produced, or say a Total of - - - - - - - - - - | £14,000,000 |

| | |
|---|---|
| Brought forward - - - - - - | £14,000,000 |
| (VII.) That during the same 108 years, there was converted "into commodities intended for use or ornament" (and other than coin) — those commodities of course more or less remaining available — *one-fifth* of the whole quantity produced, or say a Total of - - - - - | 28,000,000 |
| (VIII.) That during the same 108 years, the Loss by wear, and abrasion, and casualties in the Gold and Silver *Coin*, &c., was equal to a Total of, say - - - - - - - - - - | 5,000,000 |
| *Making* - - - - - - | 47,000,000 |
| And, as we have already seen (page 360, *antè*) that the Total Quantity of Gold and Silver existing in 1492, and produced from 1492 to 1600, was - - - - - - - - - - | 177,000,000 |
| There remains, as the quantity of *Gold and Silver Coin* in Existence (Jacob, II. 70.) in *Europe, Africa, and America* in 1600, say - - | 130,000,000 |
| To which *Add* the quantity of Gold and Silver Plate and Ornaments in use in Europe, Africa, and America in 1600, say - - - - - | 25,000,000 |
| *Making together the result already found in Arts. IV. and V.* - - - - - - | 155,000,000 |

As regards the Next Hundred Years, 1600—1700, Mr. Jacob (II. 131.) estimates: —

| | |
|---|---|
| (IX.) That during the 100 years from 1600 to 1700, the Export of Gold and Silver to India and other parts of Asia, was *one-tenth* of the whole quantity produced, or say - - - - - | 33,000,000 |
| (X.) That during the same 100 years *one-fifth* of the produce was converted into objects *other* than Coin, or say - - - - - - | 60,000,000 |
| *Making together* - - - | 93,000,000 |
| (XI.) And as we have already seen (Art. V. *antè*) that the whole additions made, 1600—1700 (after allowing for abrasion), amounted to - - | 260,000,000 |
| (XII.) It follows that the Addition made to the stock of Gold and Silver *Coin*, 1600—1700, was | 167,000,000 |

| | | |
|---|---|---|
| Brought forward - - - - - - | | £167,000,000 |
| To which is to be added (Art. VIII. *antè*), the Stock of *Coin* in the year 1600, viz. - - | | 130,000,000 |
| And the result (Jacob, II. 131.) is the total amount of *Gold and Silver Coin* in Europe, Africa, and America, in the year 1700, viz. - | | 297,000,000 |
| And if to this amount we add: (1.) For the Exports during the Period 1492—1700, to India and the East, say - - - - | £47,000,000 | |
| (2.) For converted into Commodities *other* than Coin during the Period 1492—1700, and remaining so converted to year 1700, say - | 71,000,000 | |
| | | 118,000,000 |
| *We account for the Total Stock in the year* 1700, *already shown in Art V. antè* - - | | 415,000,000 |

XI.—*The same as regards the Supplies,* 1701—1830.—*Tabular Summaries of Production and Consumption,* 1492—1830.

I may conclude this part of the subject by saying that Mr. Jacob (II. 167.) estimates, as regards the *Eighteenth* Century, or, more properly as regards the period 1700 to 1810,—

| | |
|---|---|
| (XIII.) That for the 110 years from 1700 to 1809, the quantity of Gold and Silver produced from all sources in *America* was equal to an Annual Average result of 7,147,000*l.*, making an aggregate of - - - - - - - - | £786,000,000 |
| And that in the same 110 years the quantity of Gold and Silver produced in Europe and Africa, was equal to an Annual Average of 853,000*l.*, making an aggregate of - - - - - | 94,000,000 |
| *Total Produce of Gold and Silver,* 1700—1809 | 880,000,000 |

Of the manner in which this total quantity of 880 Millions sterling was disposed of, Mr. Jacob gives (II. 214.) the following Estimates, viz.:—

(XIV.) That (II. 198.) during the 110 years 1700—1809, *two-fifths* (40 per cent.) of the total

produce of 880 millions were carried to the East by the trade with India and other parts of Asia; say - - - - - - - - - - £352,000,000

(XV.) That (II. 213.) of the remaining 528 Millions, two-thirds (66 per cent.) were converted into articles *other than Coin*, say - - - 352,000,000

Making together - - - 704,000,000

And leaving applicable to purposes of *Coinage*, 1700—1809 - - - - - - - - 176,000,000

880,000,000

As the result of an elaborate inquiry in his twenty-third chapter, Mr. Jacob (II. 190.) arrives at the conclusion that the Loss, by Wear and Abrasion, in *Gold and Silver Coin* during the 110 years 1700—1809, may be estimated at $\frac{1}{420}$th part annually, or say 0·238*l.* (say 4*s.* 9*d.*) per cent. per annum.

(XVI.) And assuming, therefore, as we have done (Art. XII. *antè*), that the quantity of *Gold and Silver Coin* in existence in Europe, Africa, and America in the year 1700 was - - - £297,000,000

Mr. Jacob *deducts* (II. 214.), for Loss by wear from 1700—1809 on this amount, a sum of - 71,000,000

226,000,000

(XVII.) And to this he adds the amount of New Coinage, 1700—1809, already stated in Art. XV., say £176,000,000

*Less* allowance for wear and abrasion, say - - - - 22,000,000

154,000,000

*Giving as the Total Quantity of Gold and Silver Coin in existence in Europe, Africa, and America, at the end of the Year* 1809 380,000,000

Mr. Jacob brings down his computations to the end of the year 1829 (his volumes were published in 1831); and his Estimate (II. 269. and 322.) of the Period 1810 to 1829 is as follows, viz:—

(XVIII.) That for the twenty years, 1810–29, the produce of Gold and Silver in all parts of America was equal to an Annual Average amount of, say 4,200,000*l.*; making an aggregate of - £84,000,000

| | |
|---|---|
| Brought forward. - - - - - - - | £84,000,000 |
| And that for the same twenty years, the Average Annual produce of Europe and Africa, including the *whole* of the Russian Empire, was 950,000*l.*, or say - - - - - - - - | 19,000,000 |
| | 103,000,000 |

And as regards the consumption of Gold and Silver during the period 1810–29, Mr. Jacob estimates:—

| | |
|---|---|
| (XIX.) That (II. 322.) the average annual Export to India was 2,000,000*l.*, or say a Total of - | £40,000,000 |
| That the Average Annual amount converted into articles of use and ornament in Europe, Africa, and America, was 5,612,000*l.*, or say - | 112,000,000 |
| | 152,000,000 |
| And (II. 322.) that, at the rate of $\frac{1}{120}$th part per annum, the Loss by wear on the 380 Millions of Gold and Silver *Coin* in existence at the end of 1809, was - - - - - - - - - | 18,000,000 |
| | 170,000,000 |
| From which deduct the total produce of - | 103,000,000 |
| And | 67,000,000 |

appears to be the amount that must be deducted from 380 Millions shown, in Art. XVII., as the quantity of Gold and Silver Coin in existence in 1809; *reducing* the estimated quantity of Coin at the end of 1829 to, say, 313 Millions.

On the subject of the Relative value of Gold and Silver, Mr. Jacob makes an important statement (II. 322.), to the effect that from 1810 to 1829, and for many years previously, the comparative value of Gold and Silver experienced scarcely any alteration;—that the quantity of *Gold* applied to purposes of use and ornament, exceeded the quantity of *Silver* so applied in the proportion of 4 to 1;—that, on the other hand, the exports of the precious metals to Asia were chiefly *Silver*;—and that in the form of *Coin*, Gold is *more* durable than Silver in the proportion of 4 to 1.

We are now in a condition to introduce the two following Tabular Summaries of the conclusions adopted by Mr. Jacob, as regards the Production and Consumption of the precious metals during the whole period 1492 to 1829 And I have taken some pains in framing those tabular summaries, and the statements

which have been already given, because it is by no means easy in the scattered form in which Mr. Jacob's results are set forth in his volumes, to obtain a general view of the conclusions at which he arrives. His Inquiry possesses many excellencies, but the arrangement admits of improvement.

(A.) PRODUCE *of* GOLD *and* SILVER, 1492—1829.—*SUMMARY of the CONCLUSIONS adopted by Mr. JACOB, and described in the preceding details.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| PERIODS. | | Description. | PRODUCE. | | Annual Average Produce. | | |
| | | | Divisions. | Total. | Divisions. | General Averages. | |
| | Yrs. | | Mins. £ | Mins. £ | £ | £ | Yrs. |
| 1492 | - - | Stock of Gold and Silver in Europe and Africa - - | - - - | 33,4 | | | |
| | | (I.) | | | | | |
| 1492–1521 | 29 | All America: Gold chiefly - - | 1,5 | | 52,000 | | |
| | | | | 1,5 | | | |
| 1521–1545 | 25 | All America: Gold and Silver - - | 15,7 | | 630,000 | | |
| | | | | 15,7 | | 318,000 | 1492 to 1545 |
| | | (II.) | | | | | |
| 1546–1577 | 32 | Potosi Mine: *Silver* | 14,1 | | 440,000 | | |
| | | Rest of America: Gold and Silver - | 53,1 | | 1,660,000 | | |
| | | | | 67,2 | | | |
| 1578–1600 | 22 | Potosi Mine: Silver | 6,1 | | 280,000 | | |
| | | Rest of America: Gold and Silver - | 40,0 | | 1,820,000 | | |
| | | | | 46,2 | | 2,100,000 | 1546 to 1600 |
| | | | | 164,0 | | | |
| 1492–1546 | 54 | *Europe:* Gold and Silver - - | 5,4 | | 100,000 | | |
| 1547–1600 | 54 | „ „ | 7,6 | | 150,000 | | |
| | | | | 13,0 | | | |
| | | | | 177,0 | | | |
| | | (III.) | | | | | |
| 1601–1700 | 100 | All America: Gold and Silver - - | 307,0 | | 3,075,700 | | |
| | | Europe and Africa: Gold and Silver - | 30,0 | | 300,000 | | |
| | | | | 337,0 | | 3,375,000 | 1601 to 1700 |

## (A.) Produce *of* Gold *and* Silver, 1492–1829—*continued.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Periods. | | Description. | Produce. | | Annual Average Produce. | | |
| | | | Divisions. | Total. | Divisions. | General Averages. | |
| | Yrs. | | | | | | Yrs. |
| | | (IV.) | | | | | |
| 1700–1809 | 110 | All America: Gold and Silver - - | 786,0 | | 7,147,000 | | |
| | | Europe and Africa: Gold and Silver - | 94,0 | | 853,000 | | |
| | | | | 880,0 | | 8,000,000 | 1700 to 1809 |
| | | (V.) | | | | | |
| 1810–1829 | 20 | All America: Gold and Silver - - | 84,0 | | 4,150,000 | | |
| | | Europe & Africa, including all Russia: Gold and Silver - | 19,0 | | 950,000 | | |
| | | | | 103,0 | | 5,100,000 | 1810 to 1829 |
| | | | | 1497,0 | | | |

## (B.) Consumption *of* Gold *and* Silver, 1492—1829.—*Summary of the Conclusions adopted by Mr. Jacob, and described in the preceding details.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| Produce of Period. | | Periods. | Exported to India and other Parts of Asia. | | Converted into Articles of Use and Ornament. | | Loss by Wear of Coin, Casualties, &c. | | Existing in form of *Coin* at End of each Period. | Total Quantity of *Coin accumulated* from Period to Period. |
| Total. | *Annl. Average.* | | Total. | *Annl. Average.* | Total. | *Annl. Average.* | Total. | *Annl. Average.* | | |
| Mlns. £ | Mlns. £ | | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 177,0 | — | 1492–1600 | 14,0 | ,13 | 28,0 | ,26 | 5,0 | 0,4 | 130,0 | 130,0 |
| 337,0 | 3,4 | 1601–1700 | 33,0 | ,33 | 60,0 | ,60 | 77,0 | ,77 | 167,0 | 297,0 |
| 880,0 | 8,0 | 1701–1809 | 352,0 | 3,20 | 352,0 | 3,20 | 93,0 | ,84 | 83,0 | 380,0 |
| 103,0 | 5,1 | 1810–1829 | 40,0 | 2,00 | 112,0 | 5,61 | 18,0 | ,90 | 67,0 | 313,0 |
| 1497,0 | | | 439,0 | | 552,0 | | 193,0 | | | |

Note.—Col. 11. represents the Total Quantity of Gold and Silver Coin estimated to be in existence in Europe, Africa, and America, at the end of each period.—The 177,0 mlns. in col. 1. includes of necessity the *Stock* of 33,4 mlns. in 1492.

XII. — *Statement of the Conclusions arising out of Mr. Jacob's Data.*

The Conclusions which are justified by the facts set forth in these Tables seem to admit of being stated as follows: —

1. That until the Year 1521, the annual additions made to the previously existing quantities of Gold and Silver in Europe, (and say Africa), those additions being chiefly *Gold*, were not of a magnitude to produce great or sudden effects.

2. That from 1521 to 1545, the disturbance of the previous state of things began to be felt in consequence of the large annual supplies, chiefly of Silver, obtained in Peru and Mexico.

3. That this disturbance was greatly increased between 1546 and 1577, by the large supplies of *Silver* readily obtained from the Potosi Mine, and by the increase of the supplies of Gold and Silver from other parts of America.

4. That the discovery, about 1571, of an abundant supply of Quicksilver, and its efficacious application to the processes of Silver-Mining, does not appear to have done more than counteract, to a greater or smaller extent, the increasing cost of obtaining the precious metals, more particularly silver, in consequence of the comparative exhaustion of the sources of supply.

5. That, adopting the general supposition of the cessation, about 1640, of the Decline in the value of the Precious Metals as compared with Commodities, it would appear that that cessation took place at a point—(1.) when the amount of gold and silver Coin (in Europe and America), say 160 Millions sterling, was probably equal to no more than *one-third* of the amount to which it had attained in the course of the eighteenth century; —and (2.) when the Quantity of Gold and Silver in the form of articles of use and ornament, say 60 Millions, was probably equal to no more than *one-fifth* of the quantity so existing during the second half of the eighteenth century.

6. That, after the same culminating date of 1640, the Average Annual supplies of Gold and Silver reached, and maintained for a century, a magnitude certainly *twice* as great as the average annual supply existing in the year 1640.

7. That, as a consequence of these premises, it would appear that, subsequent to, say 1640, the operation, among others, of four principal causes, viz.—(1.) the export of gold and silver, but chiefly silver, to India and the East, in payment for Asiatic products;—(2.) the consumption of gold and silver for purposes

of use and ornament;—(3.) the increase of population and production, and extension of commercial intercourse into new regions requiring a constantly increasing supply of coin to maintain the former level of prices;—and (4.) the annual loss, by abrasion and casualties, on the large quantity of gold and silver in use,—were sufficiently powerful to maintain such an exact equilibrium between the Average Annual Supply of, and the Average Annual Demand for, the Precious Metals, as to counteract any tendency to a fall in their value as compared with commodities.

## XIII. — *The Debasement of the English Coinage*, 1527—1560, *and consequent Derangement of Prices.*

We have now ascertained, in some degree, the general progress of the events connected with the Influx of gold and silver from America.

But before we can fairly proceed to consider the evidence furnished by the Prices of Corn in the Sixteenth Century, it is indispensable that we should ascertain, at least, the dates and general nature of the frequent changes which took place in England and France in the intrinsic value of the Gold and Silver Coins.

Mr. James* has framed a Table, which shows very clearly the violent interferences which took place with the English Silver Coinage between 1509 and 1560.

*Alterations in English Silver Coinage*, 1509—1560. (James's Essays, ii. 104.)

| Dates and Regnal Years. | | | Fineness of Silver in Coins. | | Number of Shillings coined from a Pound Weight of Silver. | Number of Grains of Fine Silver in the Teston or Shilling. | Value of the Teston in the Reformed Coinage of 1560. |
|---|---|---|---|---|---|---|---|
| | | | oz. | dwt. | s. | Grains. | Pence. |
| 1509 | 1 | Hen. VIII. | 11 | 2 | 40 | 133·2 | 18·06 |
| 1527 | 18 | „ | 11 | 2 | 45 | 118·4 | 16·07 |
| 1543 | 34 | „ | 10 | 0 | 48 | 100·0 | 13·57 |
| 1545 | 36 | „ | 6 | 0 | 48 | 60·0 | 8·14 |
| 1546 | 37 | „ | 4 | 0 | 48 | 40·0 | 5·42 |
| 1549 | 3 | Ed. VI. | 6 | 0 | 72 | 40·0 | 5·42 |
| 1551 | 5 | „ | 3 | 0 | 72 | 20·0 | 2·71 |
| 1552 | 6 | „ | 11 | 1 | 60 | 88·4 | 11·80 |
| 1560 | 2 | Eliz. | 11 | 2 | 60 | 88·8 | 12·00 |

* Essays on Money and Exchanges, by Henry James. London, 1820.

It appears that, during the twenty-five years, 1527–52, there were no less than eight alterations of the standard and contents of the Silver Coins.*

The indentures of 1509 were practically the same as those of 1485 (1 Hen. VII.). But in 1527, the Government attempted to cheat its subjects, by coining 45 shillings out of the pound weight of silver, instead of 40. In 1543, it coined 48 instead of 45, and degraded the quality of the metal. In 1545, it again degraded the quality; and still again in 1546. In 1549, the number of shillings was increased from 48 to 72. In 1551, the standard was so degraded, that it contained only 3 ounces of pure silver, instead of 11. In 1552 came the virtual reform.

It was inevitable that these violent alterations of the coinage should lead to the greatest hardship and confusion in the adjustment of all pecuniary transactions; and the evidences of such a state of things abound in the records of the time. Ruding, in his "Annals of the Coinage," has collected a long series; and from his work I will make two extracts, for the single purpose of showing that the frequent and intricate alterations of the Coinage render it almost impossible to form any clear opinion on a few quotations of Prices.

In 1549, William Thomas, a Clerk of the Council, ventured to speak with remarkable plainness in a series of letters he addressed to the King. In one of them, he says: "Whether "it hath made your Majesty rich or no, I cannot tell; but I am "sure the Coinage since the first beginning hath exacted upon "your subjects already above eight shillings in the pound, — "and this I dare avow, that not one in a hundred, no, not one "in an hundred thousand, that is contented with this coin." (*Ruding*, ii. 460.)

* The well-known Sermons preached by Bishop Latimer, at St. Paul's Cross, about 1548, have been frequently quoted as decisive evidence that, even at that date, the American supplies had greatly raised Prices. But it will be quite evident to any person who will carefully examine the dates of the sermons, and the allusions they contain, that the Bishop's complaint, as in the sermon of March, 1549, "of the little shilling, and the fineness of the silver I cannot see," &c., were excited, not by any unwonted and inconvenient influx of new silver, but by shameful debasement of the good Silver Coin formerly current. There is another passage in the same sermon which can hardly be mistaken, namely, that in which the preacher describes "the *naughtiness* of silver as the occasion of dearth of all things in the realm."

But when the Coinage was finally restored in 1560, the Government of Elizabeth published (29th Sept. 1560) a very sensible Paper called a "Summary of certain Reasons which have "moved Queen Elizabeth to proceed in Reformations of her "base and coarse Monies." And the fifth paragraph of this Paper is exceedingly pertinent to our present purpose. It says:—

"Also by continuance of this sort of base Monies, although "Almighty God hath given now of late years plentiful increase "of the earth, for the which he is to be thanked, without any "such plagues of scarcity as in our forefathers' time hath been "read, when many hundreds and thousands of people have died "of famine, *yet the Prices of all things* growing or coming from "the earth, *hath immeasurably and daily risen*; — as all man-"ner of grain, fruit, cattle, bestial, victual, wool, leather, and "such like; and no remedy could be devised to amend the "same, but to cause that the same base Monies should be cur-"rent for no more than they were in just value.

"For every man of the least understanding, by one means or "other, knew that a Teston [that is, a shilling] was not worth "sixpence; nor the piece of Two-pence was worth so much; "and therefore no man would give gladly that thing which was "and ever had been worth sixpence for a Teston, but would "rather require two Testons; and so a thing being worth six-"pence was bought and sold either for two Testons (shillings), "or for one and a half, which was in reckoning twelve pence, "or nine pence;—and now, every Teston being brought to the "just value, it must needs follow that one shall buy of another "hereafter that for fourpence half-penny which was wont to "cost sixpence. And when the Teston shall be brought into "fine silver, then shall all men be as desirous to sell any ware "for such fine monies, as they have of late been loth and un-"willing to sell anything for the base monies, except that they "might have had twice as much of the base monies as they "were wont to have of the fine." (*Ruding*, iii. 26.)

The Paper subsequently becomes an exhortation, and, among other considerations, urges upon the Queen's subjects, "That "consequently every man ought to thank Almighty God that he "may live to see the honour of his country thus partly recovered; "—Silver to come in place of Copper, prices of things amend, "all people to be more able to live of their wages, every man's "purse or coffer made free from the privy thief, which was the

"conterfeiter, and finally the treasure of this realm to be of "silver and gold, as was wont in our forefathers' time, and not "of brass and copper; besides many other great commodities "that hereof must needs ensue, which but for length might be "declared; and for all the same, no loss to any otherwise but "in opinion at the beginning, not much unlike to them that being "sick, receive a medicine, and in the taking feel some bitter-"ness, but yet thereby recover health and strength, and save "their lives."

It is to be feared, however, that all this earnestness had a very interested object; for, instead of calling in the base money at its current value, and carrying out the re-coinage at the expense of the Exchequer, the Testons or Shillings in circulation were cried down from 6*d.* to 4½*d.*, — of course to the great loss of those who held them. The measure occasioned loud murmurs, but it was enforced with rigour, and it is probable that but little of the base money was kept back out of the Mint.

Ruding has given (iii. 37.) a statement of the amount of the Silver Re-Coinage from 29th Sept. 1560, to 29th Sept. 1561, as follows: —

| | |
|---|---|
| Total weight of Base Money brought in, 631,950 lbs.; equal, according to the rates of the several standards, to an amount in current or base money of - - - - - - - - | £638,113 |
| The Total weight of sterling money re-coined was 244,416 lbs.; equal, at 11 ozs. 2 dwts. fine, coined at the rate of 60*s.* from the pound weight, to - - - - - - - - - | £733,248 |

It appears, therefore, that the quantity of base metal combined with the silver, in the old coins, was 60 per cent. greater than the whole amount of the silver; — thus, 244,416 lbs. fine silver + 387,534 lbs. alloy = 631,950 total weight of base money brought into the mint. The dross arising from the re-coinage was so vast, that Stowe affirms that it was employed as material for mending the roads.

The difference between the value cancelled, 638,113*l.*, and the value re-issued, 733,248*l.*, gave a profit to the Mint of 95,134*l.*; and, as the charges are said to have been only 12,983*l.*, there was a clear gain to the Exchequer of 82,250*l.*;

—a gain which may be supposed to have animated the style of the Court financier, whose Paper of Reasons has been quoted.

The Total Coinage of Elizabeth's reign, 1558 to 1603, is generally stated at 5,512,000*l.*, in the proportions of 794,000*l.* Gold, and 4,718,000*l.* Silver. A Silver Coinage of 733,248*l.* in 1560–1 would leave less than 4 Millions for the subsequent forty years of the reign,—a result by no means disproportionate, considering the circumstances of the period. We may perhaps infer, therefore, that in 1560 the Total Amount of Gold and Silver Coin in circulation in England and Wales did not materially exceed One Million sterling, according to the revised standard of 1560; and that the proportions were probably 800,000*l.* of Silver to 300,000*l.* of Gold.

Nearly one hundred and thirty years later, or in 1688, Gregory King estimated that the quantity of Silver Coin in England and Wales was 8½ Millions sterling, and of Gold Coin 3 Millions, or 11½ Millions in all; or ten times as much as may have existed in 1560.

## XIV.—*Frequent Debasement of the French Coinage.—General Results.*

Let us now refer to the existence in France of a state of things, as regards alterations of the Coinage, resembling the occurrences in England.

The thirteenth chapter of Paucton's "Métrologie," extending to more than a hundred quarto pages, is devoted to a learned discussion of the almost infinite variations which have taken place in the standard and currency of French Coins; and in the elaborate table of French monies, at the end of his Work, he enumerates more than a thousand edicts, between the dates 1226 and 1726. He says (page 675.)—"On peut voir dans "les annales de la monarchie quelles pertes ou souffrit en "France, par les fréquens changemens des monnoies, car outre "le droit de Seigneuriage que les Rois augmentoient sous le "moindre prétexte, ils pouvoient encore changer les Monnoies "quand ils vouloient, de sorte que décriant celles qui avoient "cours et sur lesquelles ils avoient déjà levé un droit de sei-"gneuriage; et faisant faire une nouvelle monnoie sur laquelle "ils prenoient le même droit, ils levoient par ce moyen une

"imposition sur les peuples quand ils vouloient." * St. Maur has passages of the same import.

M. Leber †, the learned author of the Essay on the relative value of Private Incomes in the Middle Ages and at present, confirms the same views; and in the following passage, among others, points out further sources of difficulty. He says,—

"La différence de la *Livre Parisis* à la *Livre Tournois* est "un autre sujet d'hésitation et de doute qui se présente fré- "quemment dans un travail d'évaluation.

"Cette distinction parait s'être établie sous le règne de "Philippe 1er mort en 1108. Alors on fabriquait à Tours une "monnaie plus faible que celle de Paris, et qu'on distingua de "cette dernière par le dénomination de *Tournois*, tirée du lieu "de son origine. Le *Livre Parisis*, ou de Paris, était en force "à la *Livre Tournois* comme 5 est à 4; c'est à dire d'un quart "en sus. 5 Livres Tournois ne valaient donc que 4 Livres "Parisis: *et comme la même différence s'est maintenue jusqu'à* "Louis XIV., *elle ne doit point être perdue de vue dans* "*l'évaluation des Prix antérieur au XVII. Siècle.*

"Ainsi une merchandise ayant été vendue 100 *Parisis*, et "payée en monnaie *Tournois* dont 5 Livres représentaient un "Marc d'Argent Fin, pour que le rapport s'établisse en mon- "naies de même force, il faudra ajouter au Prix de 100 le "quart de cette somme, d'où il viendra 125 Livres Tournois, et "ensuite opérer sur le prix du marc de 5 Livres comme on l'a "dit ailleurs. Rien ne serait plus simple si la qualité des mon- "naies et des prix marchands était toujours connue; *mais c'est* "*un avantage sur lequel on ne saurait compter.* La plupart des "documents d'où sont tirés les Prix de Commerce et les Chiffres "de Valeurs laissent ignorer en quelle monnaie ils ont été réglés; "et quant aux prix du Marc, il en est assez beaucoup, moins "toutefois, dont on ne peut dire à quelle espèce ils appartiennent "du *Parisis* ou du *Tournois*. De-là la difficulté qui peut faire "naître la différence des deux valeurs; elle est réelle, et même "insurmontable à quelques égards. (*Essai*, p. 261.)

* Paucton qualifies this remark by saying, "Depuis le règne de Philippe le Bel jusqu'à celui de Charles VII.;" but we may fairly attribute this inexact qualification to the fear of the Censor, whose imprimatur, dated 9th October, 1777, appears at the end of the volume.

† Essai sur l'Appréciation de la Fortune Privée au Moyen Age, par M. C. Leber. Paris, 8vo., 1847, Guillaumin.

M. Levasseur, in a recent paper of great interest in the "Journal des Economistes" (May, 1856), has given the following statement of the changes in the French Coinage during the Sixteenth Century:—

(C.) *French Coinage*, 1497—1602.

| Dates. | Number of *Livres* assigned to the *Marc* of Silver. | | | Quantity of Fine Silver in each *Livre*. | Number of present *Francs'* Weight per Weight of Fine Silver. |
|---|---|---|---|---|---|
| | *liv.* | *s.* | *d.* | *centgr.* | *fr. c.* |
| 1497, 7 Apl. | 11 | – | – | 2225 | 4 94 |
| 1513, 6 „ | 12 | 10 | – | 1958 | 4 35 |
| 1515, 1 Jan. | 11 | – | – | 2225 | 4 94 |
| „ 17 Feb. | 12 | 15 | – | 1919 | 4 26 |
| 1519, 10 June | 12 | 10 | – | 1958 | 4 35 |
| 1520, 10 June | 12 | 10 | – | 1958 | 4 35 |
| 1521, 20 Sept. | 13 | 5 | – | 1847 | 4 10 |
| 1539, 24 Feb. | 12 | 10 | – | 1958 | 4 35 |
| 1540, 18 May | 14 | – | – | 1748 | 3 88 |
| 1549, 25 Oct. | 14 | 10 | – | 1687 | 3 75 |
| 1550, 23 Jan. | 15 | – | – | 1631 | 3 62 |
| „ 30 Apl. | 14 | 5 | – | 1717 | 3 81 |
| 1560, 30 Apl. | 14 | 5 | – | 1717 | 3 81 |
| 1561, 30 Aug. | 15 | 15 | – | 1560 | 3 46 |
| 1573, 9 June | 17 | – | – | 1439 | 3 19 |
| 1575, 31 May | 17 | 15 | – | 1378 | 3 06 |
| 1580, 17 Oct. | 19 | – | – | 1288 | 2 84 |
| 1600, 17 Oct. | 19 | – | – | 1288 | 2 84 |
| 1602, Sept. | 20 | 5 | 4 | 1208 | 2 68 |

We have here, during the 105 years — 1497–1602 — no less than *nineteen* alterations of the Coinage; that is, on the average, an alteration every five years. The general direction of these alterations was to reduce the intrinsic value of the coins; but

the course pursued was by no means uniform; for we see that on three or four occasions, and for intervals of various lengths, the real value of the Livre Tournois was enhanced above the point to which it had previously been reduced. Comparing, however, the last date (1602) of the table with the first (1497), we find that the Silver Coinage of France had been reduced in intrinsic value very nearly one half; or, to speak with precision, the Livre Tournois had lost 1017 grains of fine silver out of 2225.

There can be no hazard in assuming that sudden, and violent, and irregular alterations of the Real Value of the Coinage, such as we have seen to take place in England between the dates 1527 and 1560, and in France between the dates 1497 and 1602, must have rendered all quotations of money prices extremely uncertain and confused; and as the alterations of the Coinage were constantly, as a rule, in the direction of its abasement, it is tolerably certain that the arrangements and ingenuity of sellers would be applied to enhance, as much as possible, the money price of their commodities. We know also that facilities of intercourse between the capitals and the provinces both of England and France were, at the period in question, very imperfect; and it must have happened, amidst so many changes, that the monetary standard for purposes of current price, of different parts of the same country, must have been, at one and the same time, exceedingly different.

We arrive, then, at the following conclusions, viz.: —

1. That in England and Wales the arbitrary and unjust interference of the Government with the Standard Coinage (silver) of the country, during the 33 years, 1527 to 1560, were so numerous, sudden, violent, and irregular, as to introduce into all quotations of Price, elements of uncertainty and confusion, which, at this distance of time, we have no satisfactory means of ascertaining or estimating.

2. That the same observation is to be applied, and for the same reasons, to quotations of Price in France during the 105 years from 1497 to 1602.

3. That as the general tendency of the arbitrary alterations of the Coinage was to reduce its intrinsic value, and therefore to favour debtors at the expense of creditors, we are justified in concluding, not merely by the rationale of the case, but also by the specific records of the periods in question, that

there was a strong and constant effort on the part of Sellers and Creditors to protect themselves against the risks of a deteriorated medium of payment, by enhancing, as much as possible, the prices of their commodities.

4. That consequently, in addition to whatever other causes may have been in operation to produce a rise of prices, it is certain that we must make large allowance for a silver coinage of fluctuating and falling value.

## XV. — *Views of Adam Smith as regards the range of Prices of Corn*, 1350—1750.

We may now endeavour to ascertain what have been the opinions hitherto held by competent authorities, forming the best conclusions they could on the evidence accessible to them, of the Course of Prices in the Sixteenth and Seventeenth Centuries.

The "Digression concerning the Variations in the Value of Silver during the course of the Four Centuries 1350—1750," contained in the Eleventh Chapter of the First Book of the "Wealth of Nations," is the most lucid, as it is the most authoritative, exposition of these opinions.

Adam Smith divided the four centuries upon which he commented, into three unequal periods; adopting, as his First Period, the interval between 1350 and 1570;—for the Second Period, the interval between 1570 and 1640;—and for the Third Period, the interval between 1640 and 1750.

Speaking of the First Period, he says, "In 1350—and for "some time before—the average price of the quarter of Wheat, "in England, seems not to have been estimated lower than "*Four Ounces* of Silver (tower weight), equal to about *Twenty* "Shillings of our present money. From this price it seems to "have fallen gradually to *Two Ounces* of Silver, equal to "about *Ten* Shillings of our present money; the price at "which we find it estimated in the beginning (say 1500) of "the Sixteenth Century, and at which it seems to have con-"tinued to be estimated till about 1570." (*McCulloch's Edi-"tion of* 1838, p. 81.)

Of the Second Period (1570—1640), he says, "From about "1570 to about 1640, during a period of about seventy years,

"the variation in the proportion between the value of Silver "and that of Corn, held a quite opposite course (to the course "held from 1350 to 1570). Silver sank, in its real value, or "would exchange for a smaller quantity of labour than before, "and Corn rose in nominal price; or, instead of being sold for "about *Two* Ounces of Silver the quarter, or about *Ten* shil- "lings of our present money, came to be sold for *Six* and "*Eight* Ounces of Silver the quarter, or about *Thirty* or *Forty* "Shillings of our present money." (p. 88.)

Of the Third Period (1640—1750), he says, "Between 1630 "and 1640, or about 1636, the effect of the discovery of the "mines of America in reducing the value of Silver, *appears to* "*have been completed*, and the value of that metal seems never "to have sunk lower, in proportion to that of Corn, than it "was about that time. It seems to have risen somewhat (that "is to say, prices have fallen) in the course of the present "century (say 1700–50), and it had probably begun to do so "even some time before the end of the last." (p. 88.)

To perceive clearly the effect of Adam Smith's mode of quoting the Price of Corn in Ounces of Silver, we must have before us the following formula:—

(D.)

| Dates and Regnal Years. | Pound Weight (12 oz.) of Silver (11·2 fine) coined into *Shillings*. | | The Ounce of Silver equal to *then* current *Shillings*. | |
|---|---|---|---|---|
| | *s.* | *d.* | *s.* | *d.* |
| 1356 30 Ed. III. | 25 | – | 2 | 1 |
| 1421 9 Hen. V. | 30 | – | 2 | 6 |
| 1464 4 Ed. IV. | 37 | 6 | 3 | 1½ |
| 1527 18 Hen. VIII. | 40 | – | 3 | 4 |
| 1560 2 Elizab. | 60 | – | 5 | – |
| 1717 3 George I. | 62 | – | 5 | 2 |

Assuming, therefore, a Medium Price of Two Ounces of Silver from, say, 1350 to 1500, we ought to find the quotation of the price of the quarter of Wheat to be between, say, 4*s.* 6*d.* and 6*s.* 6*d.* of the money of *that* time.

### XVI. — *Corroborative Data in England and France.*

Smith founded his conclusions upon the evidence as to prices afforded by the Statutes relating to food and wages; and upon corroborative proofs obtained from various charters and muniments.

The only tabular collection of prices available to him was that of Fleetwood, and the Eton Tables subsequent to 1595. He says: — "The reader will find, at the end of this chapter, all the Prices of Wheat, which have been collected by "Fleetwood, from 1202 to 1597, both inclusive, reduced to the "money of the present times, and digested, according to the "order of time, into seven divisions of twelve years each. * * "In that long period Fleetwood has been able to collect no "more than *eighty* years. * * The reader will see that "from the beginning of the *Thirteenth* (say 1200) till after the "middle of the *Sixteenth* (say 1550) century, the average price "of each twelve years grows gradually *lower and lower;* and "that towards the end of the Sixteenth Century it begins to "rise again. The prices, indeed, which Fleetwood has been "able to collect, seem to have been those chiefly *which were re-* "*markable for extraordinary dearness or cheapness;* and I do "not pretend that any certain conclusions can be drawn from "them. So far, however, as they prove anything at all, they "confirm the account which I have been endeavouring to "give.

"Fleetwood himself, however, seems, with most other writers, "to have believed that during all this period (say 1350—1550) "the value of Silver, in consequence of its increasing abund-"ance, was *continually diminishing.* The Prices of Corn "which he himself has collected, *certainly do not agree with* "*this opinion.* They agree perfectly with that of M. Duprès "de St. Maur, and with that which I have been endeavouring "to explain. Bishop Fleetwood and Duprès de St. Maur are "the two authors who seem to have collected, with the greatest "diligence and fidelity, the prices of things in ancient times. "It is somewhat curious that, though their opinions are so very "different, their facts, so far as they relate to the Price of Corn "at least, should coincide so very exactly." (p. 85.)

Smith does not give any reference to St. Maur's quarto; but he probably had in his recollection the following passage; —

"Je ne prétends pas," says St. Maur, "cependant que les "choses n'ont point du tout changé, *mais je soutiens qu'elles* "*n'ont pas* autant changé *qu'on se l'imagine.* Depuis *cent-* "*cinquante ans* [he was writing in 1745] le Setier de Blé "(mesure de Paris) en faisant un Prix moyen, a toujours valu "le Tiers de ce qu'auroit produit le Marc d'Argent fin mon-"noyé. Il paroit que depuis Philippe-Auguste (mort en 1223)

"jusques vers l'an 1520 le Setier se balançoit communement "avec la *Neuvième* partie de la valeur du Marc d'Argent fin," —and he then gives instances. (*Essai*, p. 35.)

In a subsequent page, referring to the later period (1600—1745) St. Maur says: "En comparant le Prix *actuel* des "Grains avec ce qu'ils valoient il y a Cent ou Cent-cinquante "ans, nous trouverons que depuis un siècle ils sont réellement "diminués en Angleterre de près d'un tiers de leur Prix; *et* "*qu'en France depuis cent-cinquante ans ils n'ont pas tout-à-*"*fait suivi* l'augmentation de la valeur des espèces. Si nous "rémontons à 1595 jusques et compris 1605, et que nous con-"fondions le Prix de toutes ces années, le Setier de Blé (mesure "de Paris) repondit à *cinq onzièmes* [$\frac{5}{11}$ths] du Marc d'Ar-"gent fin monnoyé; il n'en vaut communement que le *Tiers* "[$\frac{4}{12}$ths] depuis Cinquante-deux ans; ce que prouve de même "que les Blés ont baissé parmi nous. (*Essai*, p. 68.)

After enumerating several authorities, Smith says: —

"From these different facts we seem to have some reason to "conclude that, about the middle of the *Fourteenth Century* "(say 1350), and for a considerable time before, the average or "ordinary price of the quarter of wheat was not supposed to be "less than *Four ounces* of Silver (tower weight).

"From about the middle of the Fourteenth (1350) to the be-"ginning of the Sixteenth (1500) Century, what was reckoned "the reasonable and moderate, that is the ordinary or average "price of wheat, seems to have sunk gradually to about *one* "*half* of this price; so as at last to have fallen to about *two* "ounces of silver (tower weight). It continued to be estimated "at this price till about 1570. * *

"In France the average price of Grain was in the same "manner *much lower* in the end of the Fifteenth (say 1490) and "beginning of the Sixteenth (say 1510) Century than in the "two centuries [that is 1200–99 and 1300–99] preceding. * * "Its price during the same period had probably sunk in the "same manner through the greater part of Europe."

Upon these facts Smith reasons as follows: —

"The rise of the value of Silver [that is, the fall in prices] "in proportion to that of Corn, may either have been owing "altogether to the increase of the demand for that metal in "consequence of increasing improvement and cultivation, the "supply of silver in the meantime continuing the same as be-

"fore; or the demand for Silver, continuing the same as be-
"fore the fall of prices, may have been owing altogether to
"the gradual diminution of the supply of silver; the greater
"part of the mines, which were then known in the world, being
"much exhausted, and consequently the expense of working
"them much increased; or the fall of prices may have been
"owing partly to the one, and partly to the other of these cir-
"cumstances.

"In the end of the Fifteenth, and beginning (1500) of the
"Sixteenth Centuries, the greater part of Europe was approach-
"ing towards a more settled form of government than it had
"enjoyed for several ages before. The increase of security
"would naturally increase industry and improvement; and the
"demand for the precious metals, as well as for every other
"luxury and ornament, would naturally increase with the in-
"crease of riches. *A greater annual produce would require a*
*"greater quantity of coin to circulate it;* and a greater number
"of rich people would require a greater quantity of plate and
"other ornaments of silver." (p. 83.)

After stating the Rise of Prices (or, in equivalent phraseology, the *fall* in the value of Silver) between 1570 and 1640, he says: —

"The discovery of the abundant Mines of America seems to
"have been the sole cause of this diminution in the value of
"silver in proportion to that of Corn. It is accounted for
"accordingly in the same manner by every body; and there
"never has been any dispute about the fact or about the cause
"of it. The greater part of Europe was during this period
"advancing in industry and improvement; and the demand for
"Silver must consequently have been increasing. But the in-
"crease in the supply of Silver had, it seems, so far exceeded
"the demand for it, that the value of that metal sunk con-
"siderably.

"The discovery of the Mines of America, it is to be ob-
"served, *does not seem to have had any very sensible effect*
*"upon the Prices of things in England till after* 1570; though
"even the mines of Potosi had been discovered more than
"twenty years before." (p. 88.)

He then points out that, according to the Eton Table, the average price of the Winchester Eight Bushel Quarter of ordinary Wheat (deducting a ninth from the recorded prices in consideration of the picked samples to which those prices refer) was

1*l.* 12*s.* 9*d.* between 1595 and 1620, equal to $6\frac{1}{3}$ ounces of silver, or *three* times the price of the period 1500–70; and was 1*l.* 19*s.* 6*d.* between 1620 and 1636, equal to $7\frac{2}{3}$ ounces of silver, or very nearly *four* times the price of the period 1500–70.

## XVII. — *Similar Data*, 1640—1770. — *Deductions resulting from Adam Smith's Facts and Arguments.*

Between 1637 and 1700, that is, sixty-four years, Adam Smith considers the price to have been the same, within a shilling or so, of the price of 1620–36.

But he points out, that there were three causes which must have tended to raise the price of Corn, namely, — (1.) the interruption of tillage occasioned by the Parliamentary Civil War; — (2.), the foreign demand excited by the Bounty*

* There is a remarkable tract by Dr. Johnson, supposed to have been written in 1766, on the subject of the Bounty on the Exportation of Corn. The purpose of the tract is to support the policy of the Bounty. We may quote a passage: — "The state of every country with respect to Corn is varied by the chances of the year. Those to whom we sell our Corn must have, every year, either more Corn than they want, or less than they want. We likewise are naturally subject to the same varieties. When they have Corn equal to their wants, or more, the Bounty has no effect; for they will not buy what they do not want, unless our exuberance be such as tempts them to store it for another year. This case must suppose that our produce is redundant and useless to ourselves; and, therefore, the profit of exportation produces no inconvenience. When they want Corn they must buy of us, and buy at a higher price. In this case, if we have more Corn than enough for ourselves, we are again benefited by supplying them. But they may want when we have no superfluity. When our markets rise, the Bounty ceases; and therefore produces no evil. They cannot buy our Corn, but at a higher rate than that at which it is sold at home. If their necessities force them to give a higher price, that event is no longer to be charged on the Bounty. We may then stop our corn in our ports, and pour it back upon our own markets." (*Considerations on the Corn Laws*, 1766.)

This vindication of the policy of the Bounty involves obvious fallacies, and I quote it only as a specimen worth preserving of the manner in which that great master of language expressed his view of the operation of the measure. But, while demurring to the view so taken of the operation of the Bounty, I cannot agree with Adam

on the exportation of Corn, granted in 1688; — and (3.), the increase in nominal prices, arising from the extreme debasement (from wear and tear) of the Silver Coin during the twenty years prior to the great recoinage of 1695. And, seeing that the recorded prices of 1637—1700 coincide almost precisely with those of 1620–36, notwithstanding the operation of the three causes referred to, Smith considers that there is presumptive evidence, that the value of Silver was increasing (that is, that silver-prices were falling) during the period 1637—1700.

He was disposed to conclude also, that the value of silver continued to increase, and, therefore, prices to fall, during the seventy-five years of the Eighteenth Century, which had elapsed when he wrote. He arrives at this conclusion with a full knowledge of the long series of favourable seasons between 1700 and 1750. But he says (p. 91.): "The twenty years preceding "1750 may very well be set in opposition to the twenty years "preceding 1770. As the former were a good deal *below* the "general average of the century (so far), notwithstanding the "intervention of one or two dear years; so the latter have been "a good deal above it, notwithstanding the intervention of one "or two cheap ones—of 1759, for example." And he regards the operation of the Bounty as certainly keeping up a higher

Smith in his opinion, that the effect of that measure was to raise the price of Corn during the period under consideration. He says: "In years of scarcity, though the Bounty is frequently suspended, yet the great exportation which it occasions in years of plenty must frequently hinder, more or less, the plenty of one year from relieving the scarcity of another. Both in years of plenty and in years of scarcity the Bounty necessarily tends to raise the money price of Corn somewhat higher than it otherwise would be in the Home Market." But here he overlooks an important consideration. On the occurrence of scarcity, or rather the approach to it, not only was the Bounty suspended, but the exportation was prohibited; and thus in fact the plenty of the former year did contribute to mitigate the dearth of the scarce year. It is clear that in such cases prices in this country must have been lower than they were abroad, otherwise there would have been no need of prohibition. It is curious that Dr. Smith, in the zeal of his argument against the policy of the Bounty, should have kept this circumstance out of view. The omission vitiates a good deal of his reasoning on the subject. I have, in a former volume of this work, alluded to the topic of the Bounty, Vol. I., p. 46, and again, pp. 51–2.

price of Corn in this country than would have otherwise prevailed; and to whatever extent the Bounty raised the price, to that extent he, of course, assumes that the fall of prices, arising from the increasing value of silver, was kept out of view.

That Silver should become more valuable during the hundred and forty years, from 1636 to 1775, Smith regards as highly probable, for three reasons, viz.:—(1.), Because the countries of Europe had themselves become greatly more populous, —had made continual additions to the catalogue of their wants and products,—and had extended their trade into new and vast regions;—(2.), Because the growth of population and enterprise in America had been more rapid than in Europe;—and, (3.), Because an increasing annual quantity of Silver was required to pay for imports from India and China.

The summary, therefore, of the conclusions at which Adam Smith arrived, relative to the value of Silver,—in other words, the Rise and Fall of Prices in England, during a series of years —from 1350 to 1750—seems to be as follows: and it may be added, that M. Michel Chevalier, in his elaborate and learned work ("La Monnaie," published in 1850), adopts, with scarcely any modification, the views of Adam Smith, now in question.

1. Smith adopted three periods of unequal length, and, stating the price of the Winchester eight-bushel Quarter of ordinary Wheat, in Ounces of standard Silver, he considered that, approximately, the evidence before him justified the following tabular formula, viz:—

(E.)

| Periods. (England). | Price in Ounces of Silver. | Equal in Money of the *several Periods to, say* *— |
|---|---|---|
| | *oz.* | £ s. d. |
| Prior to 1350 | 4·0 | 8 – |
| 1350—1570 | 2·0 | 5 – |
| 1570—1620 | 6·0 | 1 10 – |
| 1620—1636 | 7·5 | 1 17 – |
| 1636—1700 | 7·2 | 1 16 – |
| 1700—1775 | 7·0 | 1 15 – |

In general terms, therefore, he considered that the American Discoveries produced a *Rise* of 200 Per Cent. in the value or

* It will be quite evident that for the first two periods, 1350 and 1350 to 1570, the *Money Prices* given are merely approximative.

price of Corn as measured in Silver;—that is to say, that the price of Corn rose to a point at which the quantity previously sold for 100 Ounces of Silver, was sold for 300 Ounces.

2. That for a long period (probably a century or a century and a half), prior to 1570, the Value of Silver had been gradually *rising*—and Prices, therefore, gradually falling; and that this change may, with great reason, be attributed to the increasing demand for Silver to meet the wants of Increasing Population, Larger Production, Extending Trade, and the settlement of New Regions.

3. That, notwithstanding the occupation of Peru and Mexico, about 1520–30, and the discovery of the Potosi Silver Mine, in 1545, no very sensible rise of prices took place in England till about 1570.

4. That the *Fall* in the value of Silver ceased about 1640; and that between 1640 and 1750 there is strong reason to believe that Silver had again begun to rise in value (and prices to fall), in consequence of the increasing demand for it;—the causes of that increasing demand being the growth of population, productive trade, and intercourse.

## XVIII.—*Evidence as regards Prices collected by Arthur Young.*

In 1812 Arthur Young published a tract, entitled "An "Enquiry into the Progressive Value of Money in England, as "marked by the Price of Agricultural Products; with Obser- "vations upon Sir George Shuckburgh's Table of Apprecia- "tion; the whole deduced from a great variety of Authorities "not before collected."* This tract is, in many respects, curious, and deserves attention.

Sir George Shuckburgh's Table was inserted in the "Philosophical Transactions" of 1798, and was intended to show that the rise which had then taken place in the prices of commodities was wholly, or nearly so, attributable to a fall in the value of Silver, which had been in progress for a long period. This opinion was directly at variance with the views which, we have seen, were entertained by Adam

* The tract was published by Hatchard, Piccadilly, and extends to 140 octavo pages.

Smith. Sir George Shuckburgh's Table has been forgotten for some time; Mr. Hallam refers to it in just terms of animadversion, describing it as "strangely incompatible with "every result to which my own reading has led me;" as "the "hasty attempt of a man accustomed to different studies;" adding, that we can scarcely pardon either "the presumption "of obtruding such a slovenly performance on a subject where "the utmost diligence was required, nor the affectation with "which the author apologises for descending from the dignity "of philosophy." (*Middle Ages*, ii. 429., eighth ed.)

At the date of the tract just mentioned Arthur Young had attained a very advanced age; but he describes himself as exceedingly anxious to point out the errors of Shuckburgh's Table, and, accordingly, he says, that in 1811 he "examined a multi- "tude of authorities, from which I extracted a great variety of "prices, carefully referring to every authority, quoting the "volume and page, combining them with all to be found in the "books cited by Sir George Shuckburgh, as well as with the "details (more numerous than had before been published) "given by Sir Fred. Eden, in his 'State of the Poor.' These "prices I reduced, with much labour, to the standard of our "*Present Money*. The investigation occupied myself, an ama- "nuensis, and an accountant, with other occasional assistance, "much the greater part of ten months, at no inconsiderable "expense."

The tract gives the following statement of the Average Price, in England, of the Winchester eight-bushel Quarter of ordinary Wheat, in periods of Centuries, the quotations being expressed in Coinage of the standard of 1812, viz.:—

| Periods. | Ave. Price per Qr. £ | s. | d. | Periods. | Ave. Price per Qr. £ | s. | d. |
|---|---|---|---|---|---|---|---|
| 1200–99 | 1 | 2 | 9 | 1500–99 | 1 | 3 | 8 |
| 1300–99 | 1 | 6 | – | 1600–99 | 1 | 18 | 2 |
| 1400–99 | – | 12 | – | 1700–99 | 1 | 18 | 7 |

An analysis is given of the progress of the Average Price subsequent to 1700; thus:—

| | £ | s. | d. |
|---|---|---|---|
| 1701–66 | 1 | 12 | 1 |
| 1767–1800 | 2 | 10 | 6 |

Of the average prices from 1200 to 1599, as just given, Arthur Young says, "These results do not correspond with "any general authority I have met with, which should not "excite surprise, because the documents were equally unknown "to Dr. Adam Smith, Sir George Shuckburgh, and probably "to some other writers who have treated generally on the "subject."

The Tract then enters, with considerable minuteness, and in the clear and practical manner characteristic of its distinguished author, into a discussion of the changes which had taken place in the prices of an elaborate list of Commodities other than Corn.

XIX. — *Conclusions arrived at by Arthur Young, particularly as concerns the Wages of Labour.*

The principle adopted for the purpose of arriving at a fair equation of the prices of the different periods, does not seem to be open to any objection.

The contemporary prices were carefully reduced to the standard of the coinage of 1810; the NUMBER 20 was chosen to represent the prices of that year; and the prices of preceding periods were represented by the numerical *proportion* borne by them to the Number 20. At the close of the Tract a Table is appended, setting forth a summary of the results arrived at under the different heads of inquiry; and from that Table I have compiled an abstract to be presently introduced here.

One of the most important of these subjects of inquiry was the Rate of Wages for Agricultural Labour; and great pains were taken to complete the quotations for the whole period from 1200 to 1810; but Young says —

"Unfortunately the Minutes that are to be met with in various writers, through all the earlier periods, are extremely inexplicit. Even to much later times, writers of every description are apt to speak of Labour with very little precision; the prices of Winter and Spring are, in a thousand instances, noted as that of labour in general: but the real average of the year demands that the Harvest, and any other busy time, if the pay varies, should be included. To any degree of accuracy in actual payments, there is no pretension, till within the last forty years (1770—1810). The only approximation to be found are the regulations, by Statute, limiting the demand of Labourers to certain prices for Winter, and to

others for Summer; and even in the late periods many notes are to be met with entered without any attention to this circumstance.* In the averages which I shall draw up, the selection will be made as carefully as circumstances will permit.

"The following Table describes the progress of the Pay per Diem. We ought, however, to premise, that, although these accounts may be compared for the object of a parallel between the different periods, none of them give the *real* earnings; as in every part of the Kingdom much work is done by the piece, by means of which the Labourers make greater earnings than the numeral pay.

(G.) *Agricultural Labour in England.* — *Average Wages per Day.*

| Period. | Wages per Day. d. | Proportions of 20. | Period. | Wages per Day. d. | Proportions of 20. |
|---|---|---|---|---|---|
| 1200–99 | 4 | 3½ | 1701–66 | 12 | 10 |
| 1300–99 | 5¼ | 4¼ | 1767–89 | 15 | 12½ |
| 1400–99 | 6¼ | 5½ | 1790–1803 | 20 | 16¼ |
| 1500–99 | 6½ | 5½ | 1804–10 | 24 | 20 |
| 1600–99 | 10¼ | 8 | 1811 | 25½ | — |
| 1700–99 | 15 | 12½ | 1767–1800 | 17 | 14 |

The section on the Price of Land is curious and important. It is not necessary to digress into a discussion of Arthur Young's peculiar views as to the causes which had led to fluctuations in the Price of Land since the Sixteenth Century.† We avail ourselves of his facts. He says: —

"It appears from the facts collected, that, in the Fifteenth Century (1400–99), Land sold at *Ten* years' purchase, and con-

* Speaking of the period subsequent to 1795, Young says:— "The great rise of Labour was caused by the scarcity of 1795 and '96. The inadequacy of the daily pay for the support of a family was then severely felt, and the price was immediately raised: nor was it reasonable that it should fall with the succeeding decline in the price of wheat; but the second scarcity of 1800 and '01 banished all ideas of any fall, and the pay of labour continued more disposed to increase than sink to the present period (1812). And the rise is not wonderful to those who reflect on the immense demand that has taken place for men in the many shapes of regular troops, militia, volunteers," &c.

† In reading this passage from Arthur Young on the subject of the Value of Land, it is necessary to bear in mind an important

tinued so to the reign of Elizabeth. The effect of the discovery of the American Mines became sufficiently obvious in the notes met with throughout the Seventeenth Century (1600–99), upon the whole nearly doubling the price of the Fifteenth Century. It gained its utmost height in about Ten years (1760–71) after the accession of his present Majesty (George III., in 1760); being the period in which I ascertained the fact, and found it to be, on an average of every part of the Kingdom, *Thirty-two* years' purchase. But at all other periods, except 1811, the Minutes are founded on accidental notes. It is, however, decidedly proved, that, during the American War (1775–82), the price *fell Ten* years' purchase; and we do not find that it rose again before 1789. From thence to the conclusion of the century, we find no Minutes that justify any suppositions of a rise to Thirty years' purchase; and even during the first ten years of the present century, land did not attain the price it yielded forty years ago. In the year 1811, the average of 55 Minutes through the greater part of the Kingdom was ascertained, and amounted to 29¼ years' purchase. * * * Reducing the several rates in the Purchase of Land, on the plan we have pursued in former cases, the proportions will be found as follows:—

(H.) *Price of Land in England*, 1500—1811.

| Period. | Years' Purchase. | Proportions in 20. | Period. | Years' Purchase. | Proportions in 20. |
|---|---|---|---|---|---|
| 1500–99 | 10 | 6 | 1778–89 | 23¼ | 14½ |
| 1600–99 | 16¼ | 10 | 1792–99 | 27 | 17 |
| 1712–37 | 22 | 13¾ | 1805–11 | 28 | 17½ |
| 1768–73 | 32 | 20 | | | |

distinction to which he does not refer. The Value of Land may be considered, first, with reference to the return which a given number of acres yields on the capital and labour expended in the cultivation, and such return constitutes *Rent*; or, second, with reference to the saleable value as expressed in the number of years' purchase of the Rent arising from the land. This second mode of stating the value of land is clearly dependent, in a very considerable degree, if not wholly, on the market rate of interest at different periods; and to say, therefore, that Land, as a whole, has risen in value, will mean, generally, that the interest of capital has fallen. It is probable, however, that the great fall in the value of Land during the American War, 1775-82, as stated by Arthur Young, arose, in a considerable degree, out of political difficulties and apprehensions.

Turning now to the General Table at the close of the Tract, I frame from it the following summary, omitting several columns and transposing others.

(I.) PRICES *and* WAGES *in* ENGLAND, 1200 *to* 1810.—*COMPARATIVE STATEMENT framed by* ARTHUR YOUNG *in* 1812, *upon the Principle of representing the Facts of* 1810 *by the* NUMBER TWENTY (20), *and the Facts of the preceding Periods by the* PROPORTION (*in Figures*) *borne by them to that Number.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FOOD. | | | | OTHER ARTICLES. | | | | WAGES. | |
| PERIODS. | | Wheat. | Barley and Oats. | Beef, Mutton, Veal, Pork, Bacon, Butter, Cheese. | Victualling Office. Beef and Pork. | Wool (*Combing*). | Horses. | Coals at Bethlehem Hospital. | Manufactures at Greenwich Hospital. | Agricultural Labour. | Carpenters and Masons. |
| 100 | 1200–99 | 5½ | 4¾ | – | – | – | – | – | – | 3½ | – |
| „ | 1300–99 | 6¼ | 5 | – | – | – | – | – | – | 4¾ | 4½ |
| „ | 1400–99 | 3 | 2¾ | – | – | – | – | – | – | 5½ | 5¾ |
| „ | 1500–99 | 6 | 4¾ | – | – | – | – | – | – | 5½ | 4½ |
| „ | 1600–99 | 9¼ | 8¼ | – | – | – | – | – | – | 8 | 7 |
| „ | 1700–99 | 9¼ | 11¼ | 10¼ | – | – | – | – | – | 12½ | 11½ |
| 66 | 1701–66 | 7¾ | 7¼ | 7⅓ | 7¼ | 12 | 15¾ | 13½ | 14½ | 10 | – |
| 23 | 1767–89 | 11 | 11 | 11½ | 11 | 15⅓ | 17¼ | 14⅓ | 14 | 12½ | – |
| 14 | 1790–1803 | 13 | 16¼ | 16½ | 17 | 16⅛ | 19½ | 15¾ | 15½ | 16¾ | – |
| 7 | 1804–10 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| 34 | 1767–1800 | 12 | 11½ | 13¼ | 12⅓ | 12 | – | 14¼ | 15⅝ | 14 | – |

NOTE.—This Table may be read thus:—The price of a *given Quantity* of, say, Wheat (col. 3.), was represented in 1810 by the *Number* 20; and the price of the same quantity of Wheat in coinage, of the same weight and fineness, was, in the period, say 1500–99, represented by the *Number* 6; hence, the price of Wheat in 1810, compared with 1500–99, had risen 233 per cent.

The "Manufactures at Greenwich Hospital" (col. 10.), include Shoes, Stockings, Hats, and Mops.

Arthur Young combined several of the separate elements together, in order to simplify the general view, and the following were the results, viz.

(K.) *Combinations obtained from the preceding Table.*

| 1 Periods. | 2 Wheat, Barley, and Oats *united.* (Cols. 3 and 4.) | 3 *Wheat* and Beef, &c. *united.* (3 and 5.) | 4 *Corn* and Beef, &c. *united.* (3, 4, and 5.) | 5 Labour, Corn, and Beef, &c. *united.* (3, 4, 5, and 11.) | 6 Labour singly. (11.) |
|---|---|---|---|---|---|
| 1200–99 | 5 | – | – | – | $3\frac{1}{2}$ |
| 1300–99 | $5\frac{1}{2}$ | – | – | – | $4\frac{3}{4}$ |
| 1400–99 | 3 | – | – | – | $5\frac{1}{2}$ |
| 1500–99 | 5 | $5\frac{1}{4}$ | – | – | $5\frac{1}{2}$ |
| 1600–99 | $8\frac{3}{4}$ | 8 | – | – | 8 |
| 1700–99 | $10\frac{1}{4}$ | $9\frac{1}{4}$ | – | – | $12\frac{1}{2}$ |
| 1701–66 | $7\frac{1}{2}$ | $7\frac{1}{2}$ | $7\frac{1}{2}$ | $8\frac{1}{4}$ | 10 |
| 1767–89 | 11 | $11\frac{1}{4}$ | $11\frac{1}{4}$ | $11\frac{1}{2}$ | $12\frac{1}{2}$ |
| 1790–1803 | $14\frac{1}{2}$ | $14\frac{3}{4}$ | $15\frac{1}{2}$ | 16 | $16\frac{3}{4}$ |
| 1804–10 | 20 | 20 | 20 | 20 | 20 |
| 1767–1800 | $11\frac{3}{4}$ | $12\frac{3}{4}$ | $12\frac{1}{4}$ | 13 | 14 |

According to these figures, it is obvious that the periods during which a given quantity of *Labour* would command the largest quantity of *Food*, were the periods 1400–99 and 1701–66.

Of the value of the Facts displayed by this Table, there can scarcely be two opinions. It may be true that, from a variety of causes, the Tract of 1812 has more imperfections of detail than the earlier works of Arthur Young; but it appears to me that the results it sets forth were arrived at by a series of independent and elaborate investigations entitled to the highest praise and the most respectful attention.

The general result of these investigations tends decidedly to confirm the doctrine of Adam Smith, to the effect that Prices fell considerably between 1300 and 1500;—that the effect of the American discoveries was to raise prices about 200 per cent.;—that the whole of that rise was accomplished early in the Seventeenth Century;— and that, at least in this country, there was a material fall of prices between 1700 and 1760.

## XX. — *M. Levasseur's Statement of the Prices of Wheat in the Market at Paris*, 1520—1630.

I have already quoted the remarkable Paper by M. Levasseur, in the Journal des Economistes for May, 1856, entitled, "Une "Méthode pour mesurer la Valeur de l'Argent." It is the object of that Paper to present a Table of the Price of the Best Wheat in the Halles, at Paris, from 1520 to 1630, furnishing four quotations (January, April, July, November,) in each year.

As to the sources from whence the figures are derived, M. Levasseur says —

"Les Prix du Blé à Paris ont été consignés, depuis le Seizième Siècle dans la série des Mercuriales. On sait que la Halle se tenait deux fois par semaine; chaque fois il y avait deux marchés, un à la Halle, un autre à la Grève; chaque marché avait sa Mercuriale, et le nombre des Mercuriales à l'aide desquelles on peut apprécier la Valeur de l'Argent n'est jamais moindre de dix-huit par mois. Elles commencent au mois de Juillet de l'année 1520, et sont écrites sur les registres particuliers, sous la dictée des jurés mesureurs, qui indiquaient le Prix, la quantité, et la nature des grains vendus. * * * J'ai choisi le Froment de première qualité. * * * J'ai converti les Prix comptés par écus, livres, sous et deniers, *en Centigrammes d'Argent Fin*; c'était la seule unité que convint à un pareil sujet. * * * J'ai donné non-seulement le Prix du Setier mais celui de l'Hectolitre, afin de rendre plus facile la comparison des Prix d'autrefois avec les Prix de nos jours." (p. 235.)

The Table published by M. Levasseur fully corresponds to this description, and is to be regarded as one of the most interesting contributions recently made to our specific knowledge of actual prices in the Sixteenth Century. The sources of the information appear to be almost unexceptionable, at least in the locality of Paris.

The least satisfactory part of M. Levasseur's Paper is his assumption that the average price of Wheat (the Setier) in Paris, during the twenty years 1500–20, was (adopting his notation) 1988 Centigrammes de l'Argent Fin. The quotations adopted are only ten in number for the twenty years; and of these ten, at least three are so exceptionable as to be inadmissible. The quotations are obtained from St. Maur and M. Leber, and are historically true no doubt; but true under conditions of which we have no proper means of judging.

M. Levasseur has far better authority for concluding, on the authority of the official returns, that from 1846 to 1855 the

price of the Setier of Wheat at Paris was 15,361 Centigrammes de l'Argent fin.

The following Tabular Statement is given by M. Levasseur as the result of his inquiry.

(L.) *PRICE OF BEST WHEAT in the Halles, at Paris, 1520—1630, according to M. Levasseur's Table and Calculations; the Price stated in Centigrammes de l'Argent fin per Setier de Paris.*

| Periods. | Price. | Periods. | Price. | Periods. | Price. |
|---|---|---|---|---|---|
| 1520–29 | 5,053 | 1560–69 | 9,116 | 1590—1600 | 22,775 |
| 1530–39 | 5,495 | 1570–79 | 11,474 | | |
| 1540–49 | 5,555 | 1580–89 | 12,446 | 1600—1609 | 12,215 |
| 1550–59 | 6,073 | | | 1610—1619 | 13,587 |
| | 5,536 | | 11,012 | 1620—1630 | 19,400 |

According to these figures, the Rise of Prices did not manifest itself decidedly till 1560–69. Prices had attained their highest point by 1630; and the rise from 1520 to 1630 was about 200 per cent.

XXI. — *Outline of the Series of Tables framed for the purposes of this Inquiry.*

I may now introduce the Series of Tables, extending year by year from 1401 to 1855, which have been prepared for the present work.

I have already explained, in the earlier part of this Appendix, the sources from whence the materials for these Tables have been derived; and I have also explained that it has been a principal object to bring into convenient juxtaposition, and to reduce to a Common Notation of Coinage and Measure, the several Series of Prices of Wheat available for the purpose in view in England and France. The details, year by year, of the Prices, thus reduced to an uniform notation, will be found in the Three Tables, (Q.) (R.) (S.), at the end of this Appendix.

But in the two secondary Tables, (M.) and (N.), to be immediately introduced, the General Results of the inquiry are set forth in a form divested, as far as possible, of minor features.

The only departure from the plan of an Uniform Coinage Notation, is in the English Prices during the period 1401—1560. Excepting this series of Prices, *all* the Prices are given in the Coinage values of the *present* time.

In 1560* the English Coinage became practically of the same intrinsic value as it is at present; and generally the changes in it between 1401 and 1560 were not extreme. The conversion of *ancient* money prices into *modern* money prices, is attended with several disadvantages — one of the greatest being the discrepancy created between the particular class of prices which have been modernised, when compared with the *contemporary* prices of other articles. Under any circumstances, a process of conversion must be made somewhere; and it appeared to me that, on the whole, the least objectionable course, as regards the English Prices of Wheat 1401—1560, would be to retain the *original* quotations; taking care (as it will be seen that I have done) to inform the reader very explicitly of the peculiarity attaching to that part of the First Division of the Tables, and also furnishing him (as I have done at pages 416—421., *seq.*) with easy means of converting the ancient into the present money.

I have endeavoured to bring into view the effect of a succession of Good or Bad Harvests in moderating or raising the average price of each group of Ten Years, after 1580.

* The intrinsic value of the silver coinage seems to have adjusted itself very rapidly after the substantial reform of 1553. In the volume of Wills and Inventories from the Archdeaconry of Richmond (Yorkshire), published in 1853, by the Surtees Society at Durham, there is, in the Inventory of Ane Nycholson, of Croyke, under date April, 1558, the following entry, — carefully preserving the original spelling: "Item a sylver pece and vj sylver "spones iij li xiij s iiij d. Item a sylver salte parcyll gylte cont' "in weyght egghte unce xl. s. A lytle sylver pece cont' v unce "xxv s." We have here the established rate of five shillings an ounce for silver; and there are numerous corroborative entries in other parts of the volume. I avail myself, with great pleasure, of this opportunity of referring to the admirable manner in which the elaborate series of original documents, brought to light by the Surtees Society, have been selected and prepared for publication by the Rev. James Raine, and by his son, the Rev. James Raine, Junr., both of Durham. The volume of Wills now quoted, is prefaced by an essay, by the last-named of these gentlemen, on the State of Society in Richmondshire in the sixteenth century, distinguished, not more by the minuteness of its information, than by a comprehensive grasp of the whole subject. The Wills themselves frequently contain touches of pathos and humour, conveyed in simple Saxon periods which Chaucer might have well employed. The data contained in the Inventories are a rich and varied storehouse of facts, which yet remain to be applied to their true purposes of illustration.

I am sorry to say that, for the greater part of the period 1581 to 1800, the only mode of distinguishing Very Good or Very Bad seasons is by means of the unusually low or high price of particular years; in other words, to infer the season from the price, instead of inferring the price from the season. In many instances, this process will no doubt produce errors; but at the same time it is a method of correction too valuable to be neglected. In the Columns 6 and 7 of Table (M.) there will be found references to all the years in each group which, judging by the price of Wheat in those (calendar) years, were seasons of comparative *Scarcity*.

I have not attempted correction of this kind *prior* to 1580, for I did not feel that the available evidence justified so great a refinement.

After 1580 the Yearly Series is practically complete and continuous; and for the period 1401 to 1580 the number of years for which there is no quotation is not so large as to present serious difficulty.

For example, — the number of years for which there are quotations during the—

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 50 yrs. | 1401—1450 | is | 37 | in England, | and | 23 | in France. |
| 50 „ | 1451—1500 | „ | 36 | „ | „ | 33 | „ |
| 50 „ | 1501—1550 | „ | 34 | „ | „ | 37 | „ |
| 30 „ | 1551—1510 | „ | 27 | „ | „ | 27 | „ |
| 180 | | | 134 | | | 120 | |
| | | equal | 75 per cent. | | equal | 66 per cent. | |

In England, therefore, we have quotations for three-fourths of the whole 180 years in question, and in France for two-thirds of the same period.

XXII. — *Summary in Decennial Periods*, 1401—1855. — *Course of Prices in England and France*, 1401—1580.

In the following Table (M.) we have the Average Price for each group of Ten Years during —

(1) The First Period, 1401—1580, as regards which the evidence is more or less defective; —

(2) The Second Period, 1581—1770, during which we have continuous and trustworthy series of prices; —

And (3) the Third Period, 1771—1855, for each year of which we have returns for the whole of England and France respectively framed in pursuance of public statutes.

(M.) PRICES *of* WHEAT *in* ENGLAND *and* FRANCE, 1401—1855. —*ABSTRACT of AVERAGE PRICES for PERIODS of TEN (Calendar) YEARS, and also for GORUPS of such Periods; with STATEMENTS of the particular YEARS in which the PRICE appears to have been MATERIALLY above the AVERAGE PRICE of the GROUP of Years of which it forms One.*

[Reference is requested to the Note at the Head of the detached Table of Prices, 1401—1580 (page 422.), for a statement of the corrections required for differences in the intrinsic value of the Money Prices employed.

The "England (Eden)" col. of Prices is in the money of *the several years* in this Division, 1401—1580 (see note at page 421. *seq.*). The "France (Garnier)" col. 1401—1580, is expressed in money of the *present* time. The measure employed throughout this Division is the Winchester *eight*-bushel Quarter.]

FIRST DIVISION, 1401—1580.

| 1 | 2 | 3 | 1 | 2 | 3 |
|---|---|---|---|---|---|
| YEARS. | ENGLAND. (*Eden.*) | FRANCE. (*Garnier.*) | Years. | ENGLAND. (*Eden.*) | FRANCE. (*Garnier.*) |
| | £ s. d. | £ s. d. | | £ s. d. | £ s. d. |
| 1401–10 | – 5 7 | – 12 6 | 1501–10 | – 5 9 | – 7 1 |
| '11–20 | – 7 6 | – 7 4 | '11–20 | – 9 8 | – 9 – |
| '21–30 | – 6 1 | – 16 2 | '21–30 | – 14 1 | – 15 9 |
| '31–40 | – 11 1 | 1 7 – | '31–40 | – 12 11 | – 19 1 |
| '41–50 | – 5 4 | – 8 3 | '41–50 | – 17 – | – 15 2 |
| | – 7 1 | – 12 3 | | – 12 – | – 13 3 |
| 1451–60 | – 5 – | – 7 – | 1551–60 | – 14 7 | – 17 3 |
| '61–70 | – 5 3 | – 4 9 | '61–70 | – 16 9 | 1 11 1 |
| '71–80 | – 8 – | – 5 8 | '71–80 | 1 2 – | 1 17 1 |
| '81–90 | – 6 4 | – 9 5 | | | |
| '91–1500 | – 6 4 | – 5 11 | | – 17 9 | 1 8 6 |
| | – 6 2 | – 6 7 | | | |

## (M.) *Prices of Wheat in England and France* — continued.

### SECOND DIVISION, 1581—1770.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| ENGLAND. Winch. 8 bush. Qr. | | Periods of Years. | FRANCE. Winch. 8 bush. Qr. | | Years when the Price was materially ABOVE the Average of the Twenty Years. | |
| Eton. | Oxford. | | Whole of France. | Rosoy. | Oxford. | Whole of France. |
| £ s. d. | £ s. d. | | £ s. d. | £ s. d. | | |
| — | 1 1 4 | 1581–90 | 1 13 4 | — | Four: 1586, | Six: |
| 2 3 2 | 1 11 11 | '91–1600 | 3 11 3 | 2 6 4 | '95, '96, '97. | 1591, '92, '95, '96, '97, '98. |
| 2 3 2 | 1 6 7 | | 2 12 3 | 2 6 4 | | |
| 1 13 8 | 1 9 6 | 1601–10 | 1 9 3 | 1 10 1 | Five: 1608, | Two: 1608. |
| 1 16 7 | 1 14 10 | '11–20 | 1 9 2 | 1 9 7 | 12, '13, '14, '17. | 1618. |
| 1 15 2 | 1 12 2 | | 1 9 2 | 1 9 10 | | |
| 2 — 2 | 1 17 5 | 1621–30 | 1 18 2 | 2 — 7 | Five: 1622, '23, '30, | Four: 1626, '27, |
| 2 8 8 | 2 2 11 | '31–40 | 1 19 8 | 2 3 8 | '31, '37. | '31, '32. |
| 2 4 5 | 2 — 2 | | 1 19 — | 2 2 2 | | |
| 3 — 2 | 2 6 7 | 1641–50 | 2 6 — | 2 5 — | Eight: 1647, '48, '49 '50. | Seven: 1643, '44, 49, '50. |
| 2 3 7 | 1 18 9 | '51–60 | 2 6 2 | 2 6 2 | 1651, '58, '59, '60. | 1651, '52, '60. |
| 2 11 10 | 2 2 8 | | 2 6 — | 2 5 7 | | |
| 2 3 8 | 2 — 6 | 1661–70 | 2 7 5 | 2 7 2 | Five: 1661, '62, | Five: 1661, '62, '63, '64. |
| 2 4 2 | 2 1 3 | '71–80 | 1 14 10 | 1 15 — | 74, '78, '79. | 1679. |
| 2 3 10 | 2 — 10 | | 2 1 2 | 2 1 1 | | |

## (M.) *Prices of Wheat in England and France* — continued.

### SECOND DIVISION—*continued.*

| 1 | 2 | | 3 | 4 | | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| ENGLAND. Winch. 8 bush. Qr. | | | Periods of Years. | FRANCE. Winch. 8 bush. Qr. | | | Years when the Price was materially ABOVE the Average of the Twenty Years. | |
| Eton. | | Oxford. | | Whole of France. | | Rosoy. | Oxford. | Whole of France. |
| £ | s. d. | £ s. d. | | £ | s. d. | £ s. d. | | |
| 1 | 13 10 | 1 12 – | 1681-90 | 1 | 13 4 | 1 13 6 | Five: | Six: 1685. |
| 2 | 9 3 | 2 7 – | '91-1700 | 2 | 12 8 | 2 6 3 | 1693, '94, '97, '98, '99. | 1693, '94, '98, '99, 1700. |
| 2 | 1 7 | 1 19 6 | | 2 | 3 – | 1 19 10 | | |
| 1 | 18 2 | 1 15 4 | 1701-10 | 1 | 19 9 | 1 19 5 | Six: 1708, '09, '10. | Five: 1701, 09, '10. |
| 1 | 19 11 | 1 17 5 | '11-20 | 1 | 14 1 | 1 16 1 | 1711, '13, '15. | 1713, '14. |
| 1 | 19 – | 1 16 5 | | 1 | 16 6 | 1 17 8 | | |
| 1 | 17 4 | 1 16 2 | 1721-30 | 1 | 11 – | 1 10 4 | (30 Years.) Five: 1725, '28, 29. | (30 Years.) Five: 1724, 25. |
| 1 | 13 3 | 1 11 7 | '31-40 | 1 | 5 7 | 1 4 6 | 1736, '40. | 1739, '40. |
| 1 | 9 10 | 1 8 6 | '41-50 | 1 | 8 5 | 1 8 – | | 1741. |
| 1 | 13 6 | 1 12 – | | 1 | 8 4 | 1 7 7 | | |
| 1 | 18 1 | 1 17 10 | 1751-60 | 1 | 6 6 | – | (20 Years.) Six: 1757, '58. | (20 Years.) Four: 1752. |
| 2 | 2 7 | 2 2 11 | '61-70 | 1 | 9 1 | – | 1765, '67, '68, '70. | 1768, '69, '70. |
| 2 | – 4 | 2 – – | | 1 | 12 6 | | | |

(M.) *Prices of Wheat in England and France*—continued.

THIRD DIVISION, 1771—1853.

| 1 ENGLAND AND WALES. Official annual average Price per Imp. Qr. | 2 Periods. | 3 FRANCE. Official annual average Price per Imp. Qr. | 4 ENGLAND. | 5 FRANCE. |
|---|---|---|---|---|
| £ s. d. | | £ s. d. | | |
| 2 5 10 | 1771–80 | 1 14 7 | Eight: 1772, '73, '74, '75. | Seven: 1771, '72, '73, '75. |
| 2 8 0 | '81–90 | 1 17 1 | 1783, '84, '89, '90. | 1788, '89, '90. |
| 2 6 10 | | 1 15 10 | | |
| | | | (30 Years.) | (20 Years.) |
| 3 3 6 | 1791–1800 | — | Fifteen: 1795, '96, '99, 1800. | |
| 4 3 11 | 1801–1810 | 2 6 5 | 1801, '05, '06, '08, '09, 1810. | Eight: 1801, '02, '03. |
| 4 7 6 | '11–20 | 2 17 4 | 1811, '12, '13, '17, '18. | 1811, '12, '16, '17, '18. |
| 3 18 4 | | 2 11 10 | | |
| 2 19 5 | 1821–30 | 2 2 7 | Eight: 1824, '25, '29, '30. | Seven: 1828, '29, '30. |
| 2 16 10 | '31–40 | 2 4 2 | 1831, '38, '39, '40. | 1831, '32, '39, '40. |
| 2 18 2 | | 2 3 5 | | |
| 2 13 4 | 1841–50 | 2 5 9 | Five: 1841, '42, '46, '47, '53. | Three: 1846, '47, '53. |
| 2 16 – | '51–55 | 2 12 10 | Two: 1854, '55. | Two: 1854, '55. |
| 2 14 8 | | 2 9 4 | | |

Looking carefully at these figures, we see that in England the Price fell slowly, and by small amounts, during the hundred years from 1401–10 to 1501–10. In 1431–40 there was a material interruption of the fall; and again in 1571–80 an inter-

ruption not so marked. On the other hand, the thirty years 1441–70, exhibit the lowest and steadiest range of prices in the whole division. In 1511–20 there was a considerable rise;—a still greater rise in 1521–30;—a slight reaction in 1531–40;—but in 1541–50 the attainment of a price higher than any decennial average since 1401.

It is quite justifiable to connect the sudden high prices of 1511–50 with the arbitrary debasements of the Coinage already (page 370–1., *antè*) described.

In 1551–60 the price again fell,—rose a little in 1561–70,—but in 1571–80 fairly established itself at a higher figure than 20*s*., and that, too, in the reformed currency of 1560.

Generally, therefore, we find that the Price of Wheat in England fell from 1401 to about 1510;—that for the fifty years from 1510 till 1560 the evidence of the Tables is seriously impaired by the state of the then Coinage;—that the first manifestation of a great and decisive Rise is in 1571–80, or, perhaps, 1561–70;—and that the intrinsic rise of price then occurring was about 100 per cent. over the prices of the immediately preceding periods.

The Civil Wars of York and Lancaster were comprised within the period from, say 1450 to 1483; and it is certainly very singular, that during those thirty years, the Price of Wheat, so far as we can infer from such records as have come down to us, was considerably *lower* than it had been during the thirty years prior to 1450, or than it was during the thirty years subsequent to 1483.

For the prevalence of low prices of Wheat during a period apparently so little calculated to render such a result likely or possible, we may adopt one of two modes of explanation; namely, (1.) That the Civil War was confined almost wholly to the Upper Classes, and did not sufficiently penetrate beneath the surface of society to disturb, except in limited districts and for a short time, the ordinary business of the country; and further, that a succession of favourable seasons yielded a large return to the labours of the agriculturist: in other words, that the Low Prices of Wheat were the consequence of Abundant Supplies. Or (2.), on the other hand, we may suppose that the Civil War did introduce a disturbance and distrust so great, over the whole country, as to lead to a hoarding and export of the Precious Metals so great, as to raise the value of Gold and Silver in relation to commodities;

in other words, that the low prices of Wheat were a consequence of a rise in the value of Silver, occasioned by its greater scarcity, and were not a consequence of the abundant produce of the seasons. I imagine that few persons will hesitate long in rejecting the second of these hypotheses, and adopting the first, as the most consonant with other accounts which have come down to us of the state of England in the Fifteenth Century.

In France the course of prices was substantially the same as in England.

There was a gradual *fall* during the hundred years from 1401 to 1500;—a gradual *rise* from 1501 to 1560;—and in France, as in England, the first decided enhancement of price occurred between 1571–80. The interruption in the gradual fall between 1401 and 1500 was during the three decennial periods from 1421 to 1450. In the first of these decades, the price doubled in France, while it remained stationary in England. Between 1431 and 1440, the price again almost doubled in France, but fell nearly 70 per cent. between 1440 and 1450.

And as a general result,—there is no such great and prolonged discrepancy between the prices of the two countries as to throw doubts upon the *primâ facie* accuracy of either. On the contrary, there is a reasonable and satisfactory consistency in the two series of results.

## XXIII. — *Course of Prices*, 1581—1770. — *Effects produced by Groups of Bad Seasons.*

We then arrive at the Period commencing with 1581, as regards which we have satisfactory data.

Both the Oxford and Eton Tables concur in indicating that the Price of Wheat in England gradually *rose* till somewhere about the year 1640, when it reached a price 200 Per Cent. higher than the quotations of 1561–70, as then expressed in the reformed coinage of 1560.

Both Tables also concur in showing that from 1640 to 1750, the price of wheat *fell* about 20 per cent. of the quotations current at the first of these dates. The lowest decennial average subsequent to 1581–90, is the average of the ten years 1741–50. After 1750, the price rose rapidly.

In France, both the Rosoy and the general Tables indicate

results which can only be described in the same terms which have been applied to England; with the modification that in France the highest price was not reached till about 1670, or say about twenty years later than in England. But there was a gradual *fall* of price in France, as well as in England, from 1671–80 to 1741–50. In France, however, the average price of the thirty years 1721–50, was considerably lower than in England.

Taking, however, the four columns of Prices as they stand, viz., the Eton, Oxford, Whole of France, and the Rosoy; and remembering that they are the honest result of processes of observation entirely independent; it is very satisfactory to find that the results they afford are of a character so consistent as to justify, by the mere force of internal evidence when brought into exact comparison with each other, a considerable degree of confidence in the general accuracy of the figures when reduced to a series of decennial averages.

But we must not pass over the elucidations obtained by means of the notation of the *Dear Years* in the six and seventh columns.

The periods of Twenty Years, exhibiting the greatest number of Annual Average Prices materially in *excess* of the general average price of the Twenty Years, are —

| Period. | England. | France. |
|---|---|---|
| 1641–60 | Eight | Seven |
| 1681–1700 | Five | Six |
| 1701–20 | Six | Five |

In England there seems to have been five bad harvests in succession, from 1647 to 1651, both inclusive; and again, six bad harvests in succession, from 1658 to 1663, both inclusive; and it is these eleven deficient seasons which chiefly contribute to the high average prices of the three decades from 1641 to 1670.

Again, in the Ten Years 1691—1700, the two years 1693–4 were years of high prices in England; and in the three years 1697–8–9, the prices were still higher.

It is exceedingly singular to find that, with but few marked exceptions, the cycles of Bad Years in England and France are the same, or nearly so.

In the Thirty Years, 1721–50, there were in both countries only five years in each above the average of the period; and the

evidence of these Tables confirms all the other accounts of that interval in representing the Low Price of Corn as the consequence of a succession of abundant seasons in Western Europe, probably without any parallel.

It is not necessary in this place to pursue the analysis after 1770.

I may now, therefore, introduce a more concise Summary (N.) of the results presented in the last Table.

(N.) *General Summary of Average Prices of Wheat in England and France during Groups of Calendar Years.*

FIRST DIVISION, 1401—1580.

| ENGLAND. | | | Period. | | FRANCE. | | | |
|---|---|---|---|---|---|---|---|---|
| £ | s. | d. | Years. | | Years. | £ | s. | d. |
| 0 | 7 | 1 | (50) | 1401–1450 | (50) | 0 | 12 | 3 |
| – | 6 | 2 | „ | '51–1500 | „ | – | 6 | 7 |
| – | 12 | – | „ | 1501–'50 | „ | – | 13 | 3 |
| – | 17 | 9 | (30) | '50–'80 | (30) | 1 | 8 | 6 |

SECOND DIVISION, 1581—1770.

| ENGLAND. | | | | | Years *above* average Price. | Period. | | Years *above* average Price. | FRANCE. | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Eton. | | | Oxford. | | | | | | Whole Kingdom. | | | Rosoy. | | |
| £ | s. | d. | £ | s. | d. | | Yrs. | | Yrs. | | £ | s. | d. | £ | s. | d. |
| 2 | 3 | 2 | 1 | 6 | 7 | Four - | (20) | 1581–1600 | (20) | Six - | 2 | 12 | 3 | 2 | 6 | 4 |
| 1 | 15 | 2 | 1 | 12 | 2 | Five - | „ | 1601–20 | „ | Two - | 1 | 9 | 2 | 1 | 9 | 10 |
| 2 | 4 | 5 | 2 | – | 2 | Six - | „ | '20–40 | „ | Four - | 1 | 19 | – | 2 | 2 | 2 |
| 2 | 11 | 10 | 2 | 2 | 8 | Eight | „ | '41–60 | „ | Seven | 2 | 6 | – | 2 | 5 | 7 |
| 2 | 3 | 10 | 2 | – | 10 | Five - | „ | '61–80 | „ | Five - | 2 | 1 | 2 | 2 | 1 | 1 |
| 2 | 1 | 7 | 1 | 19 | 6 | Five - | „ | '81–1700 | „ | Six - | 2 | 3 | – | 1 | 19 | 10 |
| 1 | 19 | – | 1 | 16 | 5 | Six - | „ | 1701–1720 | „ | Five - | 1 | 16 | 6 | 1 | 17 | 8 |
| 1 | 13 | 6 | 1 | 12 | – | Five - | (30) | '21–'50 | (30) | Five - | 1 | 8 | 4 | 1 | 7 | 7 |
| 2 | – | 4 | 2 | – | – | Six - | (20) | '51–'70 | (20) | Four - | 1 | 12 | 6 | | – | |

THIRD DIVISION, 1771—1855.

| ENGLAND. | Years *above* average Price. | PERIODS. | | | Years *above* average Price. | FRANCE. |
|---|---|---|---|---|---|---|
| £ s. d. | | Yrs. | | Yrs. | | £ s. d. |
| 2 6 10 | Eight - | (20) | 1771–1790 | (20) | Seven - | 1 15 10 |
| 3 18 | Fifteen - | (30) | '91–1820 | (20) | Eight - | 2 11 10 |
| 2 18 2 | Eight - | (20) | 1821–'40 | (20) | Seven - | 2 3 5 |
| 2 14 8 | Five - | (15) | '41–'53 | (15) | Five - | 2 9 4 |

NOTE.—As more fully explained in the detailed Tables, the *only* figures in the above Summary, which are not reduced to the standard of the Present (1856) Coinage, are the *English Prices*, for the three Periods between 1401 and 1550; and for the convenience of comparison it may be stated here, that *approximately*, the *present* equivalent of the *then* Prices would be,

1401–50 - £0 7 1 *then* = £0 14 0 *present* money.
1451–1500 - - 6 2 „ = - 10 - „
1500–50 - - 12 - „ = - 15 - „

In other words, it may be considered, as a general approximation, that, in the period 1401–50, *one* of the *then* shillings was equal to two of our *present* shillings; — from 1450—1500, *one* of the *then* shillings to 1·6 (say, 1*s.* 8*d.*) of our *present* shillings; — and from 1500–50, *one* of the *then* shillings to 1·25 (say 1*s.* 3*d.*) of our *present* shillings.

The Uniform Measure employed to 1770 is the *Winchester eight-bushel* Quarter. From 1771, the *Imperial* Quarter is adopted.

## XXIV. — *Historical Evidence illustrative of the rapid Extension of Enterprise and Trade*, 1560—1600.

It seems to be abundantly manifest that, as stated by Adam Smith eighty years ago, the Great Rise of Prices did not occur in England till about the year 1570; and we seem to be justified in adding — nor did it occur earlier in France.

Potosi had then been in work since 1545; but on the other hand, there had been in operation in Europe numerous causes all tending to restrain intercourse, and to create distrust.

From the Battle of Pavia, in 1525, to the death of Charles V., in 1558, the whole of Western Europe had been incessantly disturbed and exhausted by the Wars, in which the names of that monarch, of Francis I., and the Constable de Bourbon occupy the first place. Germany had been convulsed by the struggles between the Catholic and Protestant Parties, and it was not until

Prince Maurice of Saxony published the famous Manifesto of Magdeburgh, in 1551, and obtained the Treaty of Passau, in the following year, that the Protestant population of Germany were so far secured in the exercise of their religion as to be fully at liberty to pursue peaceful arts.

During the twenty or thirty years prior to 1570, navigation and commerce had been rapidly extending. The trade of Venice and Genoa had, in a great measure, been removed to the Low Countries, to London, to Lisbon, and Bordeaux. The port of Antwerp had become perhaps the greatest emporium in Europe.

MacPherson quotes, from Guicciardini's Description of the Netherlands, an account of the trade of Antwerp in 1560, which throws considerable light on the causes then in active opertion for the diffusion of the supplies of gold and silver received from America.

"Antwerp," says Guicciardini, "sends to France precious stones, quicksilver, silver in bullion, copper and brass wrought and unwrought, lead, tin, vermilion, azure blue and crimson, sulphur, saltpetre, vitriol, camlets, and grograms of Turkey, English and Netherland cloths and serges, great quantities of fine linen, tapestry, leather, peltry, wax, madder, tallow, dried flesh, and much salt fish, &c. And France sends back to Antwerp, by sea, salt of Brouage, to the value of 180,000 crowns; 40,000 bales of fine wool of Toulouse, at 7½ crowns per bale, amounts to 300,000 crowns; canvas and other strong linen of Bretagne and Normandy, in immense quantities; about 40,000 tuns of excellent red and white wines, at about 25 crowns per tun; saffron, syrup of sugar, turpentine, pitch, paper of all kinds to a great value, prunes, Brazil wood. By land, also, France sends many fine and curious things in gilding (dorures), some very fine cloths of Paris, Rouen, Tours, and Champagne, threads of Lyons, &c., which are highly prized, excellent verdigris of Montpelier; and, lastly, many sorts of merceries to a great value.*

"To England, Antwerp sends jewels and precious stones, silver bullion, quicksilver, wrought silks, cloth of gold and silver, gold and silver thread, camlets, grograms, spices, drugs, cotton, carmine, galls, linens fine and coarse, serges, demy-ostades†, tapestry, madder, hops in great quantities, glass, salt fish, metallic and other merceries of all sorts to a great value; arms of all kinds, ammunition for war, and household furniture. From England, Antwerp

* The silk manufacture of France, then in its infancy, afforded as yet nothing for exportation.

† Query, if Worsteds?

receives vast quantities of fine and coarse draperies, fringes, and other things of that kind, to a great value; the finest wool; excellent saffron in small quantities; a great quantity of lead and tin; sheep and rabbit skins without number, and various other sorts of fine peltry and leather; beer, cheese, and other sorts of provisions in great quantities; also Malmsey wines, which the English import from Candia.

"To Scotland, Antwerp sends but little, as that country is chiefly supplied from England and France. Antwerp, however, sends thither some spicery, sugars, madder, wrought silks, camlets, serges, linen and mercery: And Scotland sends to Antwerp vast quantities of peltry of many kinds, leather, wool, indifferent cloth, fine large pearls, though not of quite so good a water as the Oriental ones.

"To Ireland, Antwerp sends much the same commodities and quantities as to Scotland: and Antwerp takes from Ireland skins and leather of divers sorts, some low-priced cloths, and other gross things of little value.

"To Spain, Antwerp sends copper, brass, and latten, wrought and unwrought; tin, lead; much woollen cloth, of various kinds, made in the Netherlands, as also some made in England; serges of all prices; ostodes and demy-ostodes, tapestry, fine and coarse linens to a great value, camlets, flax thread, wax, pitch, madder, tallow, sulphur, and frequently wheat and rye, salted flesh and fish, butter and cheese, all sorts of mercery, of metals, silk, thread, &c. to a large amount; silver in bullion, and worked up into silversmiths' work; arms of all sorts, and ammunition; household furniture, and tools of all kinds; *and every thing produced by human industry and labour, to which (says our author) the meaner people of Spain have an utter aversion.*

"Of Spain, Antwerp takes jewels and pearls, *gold and silver in great quantities*, cochineal, sarsaparilla, guaiacum, saffron, silk raw and thrown, and worked up into various stuffs, velvets, taffeties, salt, alum, archil, fine wool, iron, cordovan, leather, wines of various kinds, oils, vinegar, honey, molasses, Arabian gums, soap, fruits, both moist and dried, in vast quantities; wines and sugars from the Canaries.*

"To Portugal, Antwerp sends silver bullion, quicksilver, vermilion, copper, brass and latten, lead, tin, arms, artillery and ammunition, gold and silver thread, and such other wares beforenamed as they send to Spain. From Portugal, Antwerp brings pearls and precious stones, gold, spices to the value of above a million of crowns annually, drugs, amber, musk, civet, ivory in great quantities, aloes, rhubarb, anil, cotton, China root, and many other precious things from India, with which the greatest part of Europe is supplied

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* Spain had not, at this time, received any sugars from the West Indies.

from Antwerp; also sugars from the island of St. Thome, under the equinoctial line, and from other islands on the African coasts; Brazil wood for dyers; Malaguetta or Guinea grains, and other drugs from the west coast of Africa; sugar also, and good wines from Madeira. And from Portugal itself, Antwerp brings their salt, wines, and oils, woods, seeds, archil; many sorts of fruits, both moist and dried, preserved and candied, to a great value." (*Annals*, ii. 132.)

There are abundant evidences, in other forms, of the rapid extension of industry and intercourse in England about the period 1550–70.

In 1555 we find it recorded, that "Commerce beginning to "increase considerably, and the old roads being much fre- "quented by heavy carriages, it was enacted by the Statute "2 & 3 Philip and Mary, cap. 8, that every parish should "annually elect two surveyors of the highways, to see that the "parishioners should send their carts, horses, men, tools, &c. "four days in every year for the mending of the roads;" and so pressing did this subject become, that the Act of 1555 was followed by five other acts in the reign of Mary, and by nine- teen in the reign of Elizabeth.

In 1582 it was computed that the mercantile marine com- prised 135 Ships, many of which were of 500 tons. But twenty years later the number had increased to 400 Ships.

Under the date of 1573 MacPherson has the following entry, strongly illustrative of the growing wealth of all classes, in consequence of a rapidly extending Foreign Trade — a foreign trade not likely to languish at a time when the country was filled with the fame and adventures of Drake, Forbisher, Cavendish, and a multitude of other daring navigators.

"In an essay written by Sir Robert Cotton, in 1609, he observes, —'That in the year 1573, there was brought in an unmeasurable use of luxurious commodities in England, as wines, spices, silk, and fine linen; for of the latter sort, of above ten groats the ell, there is above 360,000*l.* yearly spent, which is half the value of our woollen cloths exported, and maketh the State to buy more than they do sell; whereas a good father of a family ought to be a seller, not a buyer.' Camden, in his history of Queen Elizabeth, under the year 1574, says: 'The people (he must mean only the rich) wore silks glittering with gold and silver, either embroidered or laced, which the queen in vain endeavoured, by her proclamation, to restrain, and to oblige people to conform to a prescribed rule. Feasting was much in fashion at this time; great improvements

were also made in buildings; and noblemen's country seats were re-edified, in greater beauty and largeness than had ever been known; and certainly (says he) to the great ornament of the kingdom, though to the decay of hospitality. All which, however, when rightly considered, was no other than the natural effects of increasing riches and commerce." (*MacPherson's Annals*, ii. 156.)

From this picture, not inaptly drawn, we may now conveniently pass to a statement of the Conclusions arising out of the whole Inquiry.

## XXV. — *Series of General Conclusions deduced from the whole Inquiry.*

1. That by a careful collation, and by the reduction to an Uniform Standard of measure and coinage, of the Series of Prices of Wheat, from year to year, commencing with, say the year 1401, — contained, as regards England, in the Tables of Sir Frederick Eden, from 1401 to 1580; in the Oxford and Eton Tables, from 1581 to 1770; and in the Official Returns after that time; — and contained, as regards France, in the Tables of the Marquis Garnier, from 1401 to 1595; in the Rosoy Tables of Du Près de St. Maur, from 1595 to 1756; and the Official Statements subsequent to that year; — there does exist the means of ascertaining, with reasonable approach to probability, the progress of average annual prices in both countries, from 1401 to 1520; with nearer approximation to truth from 1520 to 1580; with considerable precision from 1580 to 1750; and with official certainty subsequent to that year.

2. That a collation of these independent Series, in both countries, confirms, by *prima facie* traces of consistency and conformity, the historical evidence of authenticity upon which, in the first instance, the credit of the several Series rests.

3. That, combining the general results afforded by the Authorities now in question, with the observations and conclusions arrived at by Adam Smith, by a separate course of inquiry; by Arthur Young also, by a separate inquiry; and recently by M. Lavasseur, upon the evidence of a complete series of market records in Paris, from 1520 to 1630, — we are justified in adopt-

ing the following statement of the progress in the Average Annual Prices of Wheat in England and France, viz:—

4. That, prior to about the year 1350, the average annual price of Wheat, per quarter, was about *Four Ounces* of Silver.—(2.) That from 1350 to about 1520, the price was considerably lower; and during the larger part of the interval was not more than *Two Ounces* of Silver.—(3.) That from 1520 to 1560 the irregularities of the Coinage in England, and to a great extent in France, render it exceedingly difficult to trace the course of prices with accuracy.—(4.) That all the evidence coincides in showing that the First Great Rise of Prices, both in England and France, was about the year 1570.—(5.) That from 1570 to 1640, the average annual price, during a large part of the interval, was equal to from *Six to Seven Ounces* of Silver, or equal to a rise of 200 Per Cent., as compared with the prices prior to 1520.—(6.) That after the culminating point of 1640, prices somewhat declined during the sixty years to 1700; and declined somewhat more between 1700 and 1750; but the decline during these later fifty years was certainly occasioned, not by a rise in the value of Silver,—but by a fall, in consequence of abundance, in the price of Corn,—(7.) That subsequent to 1750 prices of Wheat considerably advanced, in consequence of unfavourable Seasons, and the interruption of War.

5. That, according to the best evidence which Mr. Jacob and others have been able to collect, the Total Stock of Gold and Silver existing in 1492 in the ancient world—that is, in Europe and a few places on the African shore of the Mediterranean—was equal to about 33 Millions Sterling.

6. That the leading epochs in the supply of the Precious Metals (the supply being chiefly silver) from America in the Sixteenth Century are—(1), the entry of the Spaniards into Peru about 1520–5;—(2) their acquisition of Mexico about 1530;—(3) the discovery of the Potosi Silver Mine in 1545;—and (4) the introduction, about 1571, of an abundant and cheap supply of Quicksilver for the purposes of silver-mining by the process of amalgamation.

7. That, according to the evidence collected by Humboldt

and others, the Average Annual Production of Gold and Silver from the American Mines was—(1) from 1492 to 1521, about $\frac{1}{20}$th of a Million sterling, chiefly of Gold;—(2) from 1521 to 1545, about $\frac{3}{5}$ths of a Million, chiefly Silver;—(3) from 1546 to 1577, about 2 Millions;—(4) from 1578 to 1600, about the same;—(5) from 1600 to 1700, about $3\frac{1}{3}$ Millions;—(6) from 1701 to 1809, about 8 Millions;—and (7) from 1810 to 1829, about 5 Millions. Further, that the Total Stock of Gold and Silver, which was 33 millions in 1492, had become 50 millions in 1546; 155 millions in 1600; 220 millions in 1640; and 780 millions in the course of the Eighteenth Century.

8. That hence, the Average Annual Supply of 2 Millions, from 1546 to 1600, was equal to $2\frac{1}{2}$ Per Cent. Per Ann. on the stock (say 80 millions) of 1546—1600; and the Average Annual Supply of $3\frac{1}{3}$ Millions, from 1600 to 1700, was equal to about 2 Per Cent. Per Ann. on the stock (155 millions of the date 1600, and $1\frac{1}{2}$ Per Cent. Per Ann. on the stock (220 millions) of the date 1640.—The average annual supply of 8 Millions, from 1701 to 1809, was equal to about $1\frac{1}{4}$ per cent. per ann. on the stock (say 700 millions) existing during that period; and the average annual supply of 5 millions, from 1810 to 1830, was equal to 0·62 per cent. per ann. on the stock (say 800 millions) of that period.

9. That, adopting the evidence afforded by these figures, it is important to trace in them, in a numerical form, the operation of the general principle which, in the case of the Precious Metals, by the mere growth of the Total Stock in use, renders necessary constant additions to the average amount of the annual supplies; inasmuch as the maintenance of a total stock increasing from year to year, involves the application, year by year, of an increasing portion of each year's new supply.

10. That, adopting, as there appears to be good reason for doing, a rate of One Quarter, or 0·25 Per Cent. Per Ann. as representing the Loss by abrasion and casualties, on the total stock of Gold and Silver,—we find that, while a sum of 200,000*l.* per ann. would suffice to replace the annual loss on the stock (80 millions) of the period 1546—1600, a sum ten times as

great, viz. 2,000,000*l.* per ann., would be required to replace the annual loss on the stock (say 800 millions) of the period 1810–30.

11. That, as a consequence of this law, the progressive increase of the Total Stock has led to a progressive diminution of the *Per-Centage upon* the Total Stock applicable year by year (from the amount of the average annual supply) to *Other Purposes* than the replacement of wear and tear; and that the following numerical statement may be considered as approximately representing the progress of this diminution, viz.:—

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| Periods. | Total Stock. | *Average Annual Supply.* | Annual Amount required to replace Wear and Tear. | Annually applicable to Other Purposes. Amount. | Per Cent. on Total Stock. |
| | *Mlns. Strl.* | *Mlns. Strl.* | *Mlns. Strl.* | *Mlns. Strl.* | *Per Cent.* |
| 1546—1600 | 80 | 2·0 | 0·2 | 1·8 | = 2·25 |
| 1600—1640 | 155 | 3·3 | 0·4 | 2·9 | = 1·87 |
| 1641—1700 | 220 | 3·3 | 0·5 | 2·8 | = 1·27 |
| 1701—1809 | 700 | 8·0 | 1·7 | 6·3 | = 0·90 |
| 1809—1830 | 800 | 5·0 | 2·0 | 3·0 | = 0·37 |

Assuming the approximate correctness of these figures, it appears (col. 6.), that in the period 1809–30, the Per-Centage on the then Existing Stock of Gold and Silver annually available for Other Purposes than the replacement of wear and tear, was not more than *one-sixth* (0·37 compared with 2·25) of the corresponding Per-Centage in the first period of the influx from America, viz., 1546—1600.—It appears, also, that during the 160 years from 1640 to 1700, the Annual Surplus Quantity now in question may be considered generally as *One* Per Cent. Per Annum on the then existing Total Stock.

12. That, taking the next step in the application of these data, and bearing in mind that the course of Prices subsequent to 1640 may reasonably suggest a suspicion that Silver gradually rose in value, we seem to be justified in concluding that, for a long period prior to 1830, an Average Annual Supply of Gold and Silver, equal to at least *One Per Cent.* on the Existing

Total Stock of the time (and over and above the quantity necessary to replace wear and tear), was necessary to preserve at an uniform level the relative value of the precious metals compared with commodities.

13. That, expressed in general terms, the two causes which arrested the fall in the value of the precious metals, and therefore, the rise of prices about the year 1640, were:—(1) The increase of the Total Stock to an amount which absorbed a very considerable part of each year's fresh supply for the simple purpose of replacing wear and tear; and (2) An extension of Trade, Enterprise, Discovery, Production, and Population in a ratio sufficiently rapid to absorb the whole Surplus Quantity. And further, that, among the most striking evidences of this extension, is the increase of the average annual exports of treasure to the East from ½ million in the period 1601—1700; to 3½ millions in the period 1701—1809.

14. That, as the result of the whole investigation, we are justified in affirming Three Conclusions, namely:—

First. That for a considerable period prior to the date 1550–70, about which time the American Supplies began to produce a visible effect, there had been a marked *rise* in the value of Silver, and a marked fall in Prices, as the consequence of a stationary, or perhaps declining, Total Stock of Silver; and an increasing demand for that metal, for the purpose of circulating commodities, and promoting the convenience of States more populous, and enjoying more political security.

Second. That the impulse imparted, in the Sixteenth Century, to Trade, Discovery, Enterprise, and Production, and imparted, in some considerable degree, by the discoveries of the American Mines, was so powerful and rapid, that the Increased Demand for Gold and Silver so far counteracted the effect of the Increased Supplies, that, at the culminating date of 1640, Prices had risen only 200 Per Cent.; whilst the then Total Existing Stock of Gold and Silver had increased 600 Per Cent.*

* For example, the 33 millions sterling of 1492 had become 220 millions in 1640.

And lastly. That, as an inference from these data, and also as an inference drawn from the records of the time, we have the fullest warrant for concluding, that any partial inconvenience that might ensue from the effect of the American Supplies of the Sixteenth Century in raising prices, was compensated and repaid a hundred fold by the activity, expansion, and vigour which they impressed, for more than one generation, upon every Enterprise, and every Art which dignifies human life or increases human happiness.

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*Note relative to the Details of Arrangement and Calculation involved in the following Tables of the Prices of Corn; and relative to the Data required for converting* Former *into* Present *English Money.*

*Mr. Lloyd gives the *Oxford* Prices of the Winchester Eight-Bushel Quarter, at two dates of each year, Lady Day and Michaelmas. In the following Tables the *mean* of these two prices is given as the price of the year. Thus, — Lloyd, page 32, year 1583, — Lady Day, *0l.* 17*s.* 9*d.*, Michaelmas, 0*l.* 16*s.* 7*d.* = 0*l.* 17*s.* 2*d.*, *mean* price of the year as given in the Table at page 427. *seq.*

In the same manner, the *mean* result of the two prices each year of the *Eton* Tables are here given.

St. Maur gives four prices for each year in the Rosoy Table, viz., January, April, July, and October; and the mean of those four prices is given.

The Rosoy Prices are for the old measure, the *Setier de Paris,* and are given in the original money of the several years.

It has been necessary, therefore, to effect two reductions, viz. (1), to reduce the Setier de Paris to the Winchester Eight-Bushel Quarter, and (2), the original French money of Livres Tournois, Sols, and Deniers, into sterling of the present standard; or practically, what is the same thing, of the standard established in England in 1560.

Adopting the statements of Doursther ("Dictionnaire Universel des Poids et Mesures"), the Setier de Paris = 156·1 Litres; and the Winchester Bushel = 35·24 Litres. Then, 35·24 × 8 = 281·92 Litres in the Winchester Eight-Bushel Quarter; and 281·92 ÷ 156·1 = 1·8 as the number of Setiers de Paris contained in the Winchester Quarter.

It would be almost impossible to follow every variation of the French Coinage from 1580 to 1746, nor is it desirable to do so. The following scale, therefore, has been adopted, viz.:

| | | | |
|---|---|---|---|
| 1580—1640 | 9·6 | Livres Tour. | = 1*l.* sterling. |
| 1641—1690 | 12·0 | „ | „ |
| 1691—1717 | 16·0 | „ | „ |
| 1718—1746 | 24·0 | „ | „ |

The Livre Tournois was divided into 20 Sols; and each Sol into 12 Deniers.

Applying these data to the prices given by St. Maur, for the first year, in his Table, viz. 1596, we have the following prices:—

| | | | | | |
|---|---|---|---|---|---|
| Rosoy 1596 — | 23 Juin | 20 | 3 | 2 | Livres Tour. |
| „ | 6 Juillet | 24 | – | – | „ |
| „ | 7 Septembre | 12 | – | – | „ |
| „ | 5 Octobre | 14 | 8 | – | „ |
| | Ave. | 17 | 12 | 9 | |

Then $(17\ 12\ 9 \times 1\ 8) \div 9\ 6 = 3l.\ 6s.$, the price per Winch. 8 bush. Qr., as given in the Tables.

For the conversion of the Winchester Eight-Bushel Quarter into Imperial Qrs., the formula is 1·0315 Winch. Qrs. = 1 Impl. Qr.

As regards the *Hectolitre*, according to Doursther, 2·856 Hectolitres = 1 *Winchester* Eight-Bushel Quarter, and 2·98 Hectolitres = 1 *Imperial* Quarter; and, by applying these equivalents to the prices given, we obtain (at 25 frs. per £) the sterling results in the Tables.

The prices in France, 1791–96, cannot be given, in consequence of the interruption of all regular trade.

We may now introduce the Table necessary to facilitate the conversion of *former* into *present* English monies; and I have framed the following from one or two of the careful tabular statements in James's Essays.

ENGLISH COINAGE, 1066—1816.—*STATEMENT of the Various for the COINAGE of GOLD and SILVER in ENGLAND; with the several Coinages; and also of the PROPORTION borne by*

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| SILVER. | | | | | |
| Fineness of *Silver* per Mint Indentures. | Pound Weight of such Silver coined into | Seignorage retained by Mint. | Pound Troy of Silver of 11·2 fine, equal in Coinage Issued to | Dates and Regnal Years. | Fineness of *Gold* per Mint Indentures. |
| oz. dwts. | *s. d.* | *s. d.* | *s. d.* | | crts. grns. |
| 11 2 | 20/– | – | – | 1066—1 Wm. I. | – |
| „ | 20/– | 1/– | 20/3¼ | 1280— 8 Ed. I. | – |
| „ | 20/3 | 1/2½ | – | 1300—28 „ | – |
| „ | „ | 1/3 | 20/3½ | '44—18 Ed. III. | 23 3½ |
| „ | 22/6 | „ | 22/8 | '49—28 „ | – |
| „ | 25/– | –/10 | 25/9⅓ | '56—30 „ | – |
| „ | „ | „ | „ | '94—18 Rd. II. | – |
| 11 2 | 25/– | –/10 | 25/9⅓ | 1401— 3 Hen. IV. | 23 3½ |
| „ | 30/– | 1/– | 30/11¼ | '21— 9 Hen. V. | – |
| „ | „ | 1/– | „ | 25— 4 Hen. VI. | – |
| „ | 37/6 | 4/6 | 35/2¼ | '64— 4 Ed. IV. | – |
| „ | „ | „ | „ | '65— 5 „ | – |
| „ | „ | 2/– | 37/10½ | '70— 9 „ | – |
| „ | „ | 1/6 | 38/4¾ | '82—22 „ | – |
| „ | „ | „ | „ | '83— 1 Rd. III. | – |
| „ | „ | „ | „ | '85— 1 Hen. VII. | – |
| 11 2 | 37/6 | 1/– | 38/11¼ | 1509— 1 Hen. VIII. | – |
| „ | 40/– | 1/0¾ | „ | '27—18 „ | – |
| „ | 45/– | 1/– | 44/– | „ „ | – |
| „ | „ | „ | „ | „ „ | 22 0 |
| 10 0 | 48/– | 8/– | 44/4¾ | '43—34 „ | 23 0 |
| 6 0 | „ | 40/– | 51/9¼ | '45—36 „ | 22 0 |
| 4 0 | „ | 84/– | 55/6 | '46—37 „ | 20 0 |

*Changes which have taken place in the Mint Indentures collateral Columns of the Contents in Fine Metal of Silver to Gold. (Compiled from James's Tables.)*

| 7 | 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|---|
| GOLD. | | | Weight of *Fine* | | |
| Pound Weight of such Gold coined into | Seignorage retained by Mint. | Pound Troy of *Gold* of 22 fine, equal in Coinage Issued to | *Silver* in 20 Shillings as Coined. | *Gold* in the Pound Sterling of 20 Shillings as Coined. | Proportion borne by *Silver* to Gold, viz., 1 of Gold to |
| £ s. d. | s. d. | £ s. d. | grains. | grains. | *of Silver.* |
| – | – | – | 4995·0 | – | – |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| 13 3 4 | 8/4 | 12 10 8 | 4933·3 | 407·99 | 12·091 |
| 14 – – | 11/8 | 13 3 9 | 4440·0 | 383·70 | 11·571 |
| 15 – – | 6/8 | 14 8 4 | 3996·0 | 358·12 | 11·158 |
| „ | 5/– | 14 9 11 | „ | „ | – |
| 15 – – | 5/– | 14 9 11 | 3996·0 | 358·12 | 11·158 |
| 16 13 4 | „ | 16 2 9 | 3330·0 | 322·31 | 10·331 |
| „ | 5/10 | 16 1 11 | – | – | – |
| 20 16 8 | 50/– | 18 – 5 | 2664·0 | 257·85 | 10·331 |
| 22 10 – | 20/10 | 21 1 10 | „ | 238·75 | 11·158 |
| „ | 13/– | 21 9 7 | „ | „ | „ |
| „ | 7/6 | 21 15 – | „ | „ | „ |
| „ | „ | „ | – | – | – |
| „ | „ | „ | – | – | – |
| 22 10 – | 2/6 | 22 – – | 2664·0 | 238·75 | 11·158 |
| 24 – – | 2/8 | „ | 2368·0 | 210·14 | 11·268 |
| 27 – – | 2/9 | – | – | – | – |
| 25 2 6 | 3/– | 24 19 6 | – | – | – |
| 28 16 – | 24/– | 26 8 – | 2000·0 | 191·66 | 10·434 |
| 30 – – | 50/– | 27 10 – | 1200·0 | 176·00 | 6·818 |
| „ | 100/– | „ | 800·0 | 160·00 | 5·000 |

## English Coinage, 1066—1816.

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| SILVER. | | | | | |
| Fineness of *Silver* per Mint Indentures. | Pound Weight of such Silver coined into | Seignorage retained by Mint. | Pound Troy of Silver of 11·2 fine, equal in Coinage Issued to | Dates and Regnal Years. | Fineness of *Gold* per Mint Indentures. |
| oz. dwts. | *s. d.* | *s. d.* | *s. d.* | | crts. grns. |
| 4 0 | 48/– | 84/– | 55/6 | 1547— 1 Ed. VI. | 20 0 |
| 6 0 | 72/– | 80/– | 59/2½ | '49— 3 „ | 22 0 |
| 3 0 | „ | „ | „ | '51— 5 „ | „ |
| 11 0 | 60/– | „ | „ | „ „ | 23 3½ |
| „ | „ | „ | „ | „ „ | 22 0 |
| 11 1 | „ | 1/– | 59/3¼ | '52— 6 „ | 23 3½ |
| „ | „ | „ | „ | „ „ | 22 0 |
| 11 0 | „ | „ | 59/6½ | '53— 1 Mary | 23 3½ |
| 11 2 | „ | 1/6 | 58/6 | '60— 2 Eliz. | „ |
| „ | „ | „ | „ | „ „ | 22 0 |
| 11 2 | 62/– | 2/– | 60/– | 1600—43 Eliz. | 23 3½ |
| „ | „ | „ | „ | „ „ | 22 0 |
| „ | „ | 2/6 | 59/6 | '04— 2 Jas. I. | „ |
| „ | „ | 2/– | 60/– | '26— 2 Ch. I. | „ |
| „ | „ | – | 62/– | '66—18 Ch. II. | „ |
| 11 2 | 62/– | – | 62/– | 1717— 3 Geo. I. | 22 0 |
| 11 2 | 66/– | 4/– | 62/– | 1816—56 Geo. III. | 22 0 |

In connection with this Table it will be necessary to bear succeed-

— *Statement of Changes, &c.*—continued.

| 7 | 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|---|
| GOLD. | | | Weight of *Fine* | | |
| Pound Weight of such Gold coined into | Seignorage retained by Mint. | Pound Troy of *Gold* of 22 fine, equal in Coinage Issued to | *Silver* in 20 Shillings as Coined. | *Gold* in the Pound Sterling of 20 Shillings as Coined. | Proportion borne by *Silver* to Gold, viz., 1 of Gold to |
| £ s. d. | s. d. | £ s. d. | grains. | grains. | *of Silver.* |
| 30 – – | 30/– | 31 7 – | 800·0 | 160·00 | 5·000 |
| 34 – – | 20/– | 33 – – | „ | 155·29 | 5·151 |
| „ | – | – | 400·0 | – | – |
| 36 – – | – | – | – | – | – |
| 33 – – | – | – | 1760·0 | 160·00 | 11·000 |
| 36 – – | 2/9 | – | 1768·00 | „ | 11·050 |
| 33 – – | 3/– | 32 17 8 | – | – | – |
| 36 – – | „ | 33 – 8 | 1760·00 | 159·16 | 11·057 |
| „ | 5/– | – | – | – | – |
| 33 – – | 4/– | 32 16 – | 1776·00 | 160·00 | 11·100 |
| 36 10 – | 10/– | – | 1718·71 | 157·61 | 10·904 |
| 33 10 – | „ | 33 – – | – | – | – |
| 37 4 – | 30/– | 35 14 – | „ | 141·93 | 12·109 |
| 41 – – | 21/5 | 39 18 7 | „ | 128·78 | 13·346 |
| 44 10 – | – | 44 10 – | „ | 118·65 | 14·485 |
| 46 14 6 | – | 46 14 6 | 1718·71 | 113·00 | 15·209 |
| 46 14 6 | – | 46 14 6 | 1614·54 | 113·00 | 14·287 |

in mind the particular points referred to in the notes on the ing page.

The Saxon or *Tower* Pound, equal to 11 oz. 9 dwts. *Troy*, was used at the Mint till 1527 (18 Hen. VIII.). The Troy Pound was then substituted. As the Pound Weight (Tower) of Silver was coined into no more than Twenty Shillings from 1066 to 1300 (28 Edw. I.), it followed that, during that period, Twenty Shillings in Tale were equal to a Pound of Silver in Weight.

In 1666 (18 Chas. II.), the Seignorage on Gold Coin was given up, and the Mint delivered quantity for quantity of Gold Bullion brought to be coined.

In 1816 (56 Geo. III.), a Seignorage of 6·45 per cent. was imposed on the Silver Coinage by coining into 66 shillings by tale the Troy Pound Weight of Silver (11·2 fine), worth intrinsically only 62 shillings.

In other words, the silver coinage became in effect tokens; and the public were protected by a prohibition of the legal tender of silver coins for more than 40*s*. The Standard became an exclusive Gold Standard, at the rate of 3*l*. 17*s*. 10½*d*. for Gold of 22 fine; and the price of Silver Bullion, measured in such Gold Coinage, became a fluctuating price, depending on the supply of, and demand for, Silver as an article of merchandise.

The Coinage in 1551 (5 Ed. VI.) of Silver Money of only 3 oz. fine did not exceed 120,000*l*., and was clearly a debased Token Coinage.

Availing ourselves of the means afforded by Col. 10. of the Table for ascertaining the relative value of the Silver Coinage at the various periods compared with the unit established in 1560, we have in that col. (10) the Number of Grains of Fine Silver in each 20 shillings as Coined from time to time; and hence we easily arrive at the relative intrinsic value, as shown in the following statement.

(P.) *Statement of the Intrinsic Value of the Silver Coinage, 1066—1816, as ascertained by the Number of Grains of Fine Silver in each* Twenty *Shillings Coined; adopting as the Unit of Comparison the Silver Coinage of* 1560 (2 *Eliz.*), *which gave* 1776 *Grains of Fine Silver per £.*

| 1 | 2 | 3 | | | 4 | | |
|---|---|---|---|---|---|---|---|
| Periods. | Number of Grains of Fine Silver in Twenty Shillings Coined. | One Shilling *so coined* equal to of Shillings of 1560. | | | The *Ounce* Troy of Fine Silver (weighing 480 Grains) equal to Shillings so coined. | | |
| | *No.* | | | *s. d.* | | | *s. d.* |
| 1066—1344 | 4995 | 2·81 | = | 2 10 | 1·92 | = | 1 11 |
| 1344—1349 | 4933 | 2·79 | = | 2 10 | 1·95 | = | 1 11 |
| 1349—1356 | 4440 | 2·50 | = | 2 6 | 2·11 | = | 2 1 |
| 1356—1421 | 3996 | 2·25 | = | 2 3 | 2·40 | = | 2 5 |

| 1 | 2 | 3 | | | 4 | | |
|---|---|---|---|---|---|---|---|
| Periods. | Number of Grains of Fine Silver in Twenty Shillings Coined. | One Shilling *so coined* equal to of Shillings of 1560. | | | The Ounce Troy of Fine Silver (weighing 480 Grains) equal to Shillings so coined. | | |
| | *No.* | | | *s. d.* | | | *s. d.* |
| 1421—1464 | 3330 | 1·87 | = | 1 10 | 2·90 | = | 2 11 |
| 1464—1527 | 2664 | 1·50 | = | 1 6 | 3·60 | = | 3 7 |
| 1527—1543 | 2368 | 1·33 | = | 1 4 | 4·06 | = | 4 1 |
| 1543—1545 | 2000 | 1·12 | = | 1 1 | 4·80 | = | 4 10 |
| 1545—1546 | 1200 | 0·67 | = | – 8 | 8·00 | = | 8 – |
| 1546—1551 | 800 | 0·45 | = | – 5 | 12·00 | = | 12 – |
| 1551—1560 | 1760 | 0·99 | = | 1 – | 5·44 | = | 5 5 |
| **1560—1600** | **1776** | **1·** | | | | | |
| 1600—1816 | 1719 | 0·97 | = | 1 – | 5·60 | = | 5 7 |
| 1817—1856 | 1614 | 0·91 | = | 1 – | 5·94 | = | 5 11 |

This Table may be read as follows. For example: — From 1421 to 1464, Twenty Shillings of Silver Coin contained 3330 grains of Fine Silver; and as the Silver Coinage of 1560 gave only 1776 grains to Twenty shillings, it follows, that, *one* shilling of 1421–64 was equal to 1·87 shillings of 1560; or that 1·87 of the coinage of 1560 was no more than equal to 1*s.* of 1421–64. It also follows, that *each shilling* of 1421–64 contained (3330÷20) 166·5 grains of fine silver; and as the Ounce Troy contains 480 grains, then the Ounce Troy was equal to 2·90 (say 2*s.* 11*d.*) shillings of the Coinage of 1421–64.

It is clear, therefore, that, by means of Col. 4. in this Table (P.), we have a ready means of estimating, with considerable approach to accuracy, the relative prices of any two periods.

For instance; if the average price of Wheat was 7*s.* 2*d.* per quarter during the period 1464—1527, we find that 7*s.* 2*d.* was then equal to exactly two ounces of fine silver; and if the average price of wheat was 1*l.* 12*s.* 6*d.* during the period 1560—1600, we find that 1*l.* 12*s.* 6*d.* was then exactly equal to six ounces of fine silver; that is, to three times the price (or 200 per cent. *more*) of the period 1464—1527.

I am now at liberty to introduce the three Tables of the Prices of Wheat marked (Q.), (R.), and (S.), described at page 395. *antè*.

These Tables contain the series of Annual Average Prices stated year by year, from the period 1401—1855; the general results of which have been presented in Table (M.), at pages 397—400 *antè*, and Table (N.), at pages 404–5. *antè*.

## (Q.) I. *Prices of Wheat in England and France*, 1401—1580, *according to the Quotations collected by Sir F. M. Eden and Marquis Garnier; and stating the Prices in both cases for the Winchester Quarter of eight bushels.*

[The Prices given by the Marquis Garnier (col. 4.) are in the French Money (francs and cents) of the date (1822) of his Work; the Quotations in such French Money being deduced by him from the original entries made in the Money of the several years; and from the figures so given by Garnier the Equivalents in present English Money (col. 3.) have been obtained at the rate of 25 francs per £.

The Prices given by Sir Fred. Eden (col. 2.) are the Original Prices as entered in the several years in the money of those years.

In comparing therefore the Two Cols. of Prices (cols. 2 and 3.) given in English Money, allowance must be made for the difference as between the *then* and the *present* value of the Pound Sterling, particularly during the twenty-six years 1527 to 1553, during which the Silver Coinage was very greatly debased. The sign – indicates that no quotation has been obtained for the years against which – is placed.]

| 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|---|
| Year. | ENGLAND. Price of Wheat per Winch. Qr. (*Eden.*) | FRANCE. Average Price of Wheat (*Garnier.*) Equivalent Engl. Price per Win. 8 bush. Qr. | Price per Set. de Paris. | Year. | ENGLAND. Price of Wheat per Winch. Qr. (*Eden.*) | FRANCE. Average Price of Wheat. (*Garnier.*) Equivalent Engl. Price per Win. 8 bush. Qr. | Price per Set. de Paris. |
| | £ s. d. | £ s. d. | *Francs.* | | £ s. d. | £ s. d. | *Francs.* |
| 1401 | – 11 – | – | – | 1411 | – 4 – | – 10 – | 6 25 |
| '2 | – 6 – | – | – | '2 | – | – | – |
| '3 | – 3 7 | – | – | '3 | – | – 4 8 | 2 91 |
| '4 | – 2 8 | – | – | '4 | – 6 8 | – | – |
| '5 | – 5 4 | – | – | '5 | – 7 4 | – | – |
| 1406 | – 5 2 | – 9 4 | 5 85 | 1416 | – 13 – | – | – |
| '7 | – 4 – | – | – | '7 | – 6 6 | – | – |
| '8 | – | – | – | '8 | – | – | – |
| '9 | – 6 8 | – | – | '9 | – | – | – |
| 1410 | – | – 15 7 | 9 74 | 1420 | – | – | – |
| | – 5 7 | 12 6 | 7 79 | | – 7 6 | – 7 4 | 4 58 |

## (Q.) *Prices of Wheat in England and France*, 1401–1580—continued.

| 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|---|
| Year. | ENGLAND. Price of Wheat per Winch. Qr. (*Eden.*) | FRANCE. Average Price of Wheat. (*Garnier.*) Equivalent Engl. Price per Win. 8 bush. Qr. | Price per Set. de Paris. | Year. | ENGLAND. Price of Wheat per Winch. Qr. (*Eden.*) | FRANCE. Average Price of Wheat. (*Garnier.*) Equivalent Engl. Price per Win. 8 bush. Qr. | Price per Set. de Paris. |
| | £ s. d. | £ s. d. | *Francs.* | | £ s. d. | £ s. d. | *Francs.* |
| 1421 | – | – | – | 1441 | – 4 1 | – | – |
| '2 | – | – | – | '2 | – 6 8 | – | – |
| '3 | – 8 – | – | – | '3 | – | 1 2 10 | 14 27 |
| '4 | – 5 10 | – | – | '4 | – 5 – | – 10 7 | 6 62 |
| '5 | – 6 6 | – | – | '5 | – | – | – |
| 1426 | – 4 3 | – 8 9 | 5 61 | 1446 | – 6 6 | – 4 8 | 2 91 |
| '7 | – 4 – | – 13 5 | 8 40 | '7 | – 5 3 | – 5 6 | 3 48 |
| '8 | – 4 6 | – 6 5 | 3 99 | '8 | – 5 10 | – 2 10 | 1 78 |
| '9 | – 8 4 | – | – | '9 | – 5 2 | – 6 1 | 3 81 |
| 1430 | – 7 – | 1 16 3 | 22 67 | 1450 | – 4 – | – 5 2 | 3 24 |
| | – 6 1 | – 16 2 | 10 17 | | – 5 4 | – 8 3 | 5 16 |
| 1431 | – 6 – | 1 1 2 | 13 24 | 1451 | – 7 – | – | – |
| '2 | – | 2 4 4 | 27 70 | '2 | – 5 – | – 3 10 | 2 37 |
| '3 | – | – 17 11 | 11 24 | '3 | – 5 4 | – | – |
| '4 | 1 6 8 | – | – | '4 | – 2 2 | – 6 5 | 4 03 |
| '5 | – 5 4 | – 6 11 | 4 34 | '5 | – 4 – | – | – |
| 1436 | – 6 8 | – 10 7 | 6 61 | 1456 | – 5 – | – | – |
| '7 | – 4 6 | 2 12 9 | 32 99 | '7 | – 6 4 | – 9 5 | 5 86 |
| '8 | – 14 10 | 2 10 9 | 31 70 | '8 | – 4 – | – | – |
| '9 | – 15 1 | – | – | '9 | – 5 – | – 8 – | 4 99 |
| 1440 | – 9 9 | – 11 1 | 6 93 | 1460 | – 6 3 | – | – |
| | – 11 1 | 1 7 – | 16 84 | | – 5 – | – 7 – | 4 31 |

(Q.) *Prices of Wheat in England and France*, 1401–1580—continued.

| 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|---|
| Year. | ENGLAND. Price of Wheat per Winch. Qr. (*Eden.*) | FRANCE. Average Price of Wheat. (*Garnier.*) Equivalent Engl. Price per Win. 8 bush. Qr. | Price per Set. de Paris. | Year | ENGLAND. Price of Wheat per Winch. Qr. (*Eden.*) | FRANCE. Average Price of Wheat. (*Garnier.*) Equivalent Engl. Price per Win. 8 bush. Qr. | Price per Set. de Paris. |
| | £ s. d. | £ s. d. | *Francs.* | | £ s. d. | £ s. d. | *Francs.* |
| 1461 | – 4 – | – | – | 1481 | – 6 10 | – 9 9 | 6 99 |
| '2 | – 5 – | – 5 6 | 3 42 | '2 | – | – 15 8 | 9 78 |
| '3 | – 3 8 | – 4 6 | 2 82 | '3 | – 5 5 | – 15 8 | 9 78 |
| '4 | – 6 8 | – 2 5 | 1 48 | '4 | – 5 4 | – | – |
| '5 | – | – 4 7 | 2 96 | '5 | – 3 10 | – 5 4 | 3 33 |
| 1466 | – 5 8 | – 10 3 | 6 37 | 1486 | – 16 4 | – 10 5 | 6 50 |
| '7 | – | – 3 8 | 2 30 | '7 | – 4 8 | – 7 10 | 4 89 |
| '8 | – 5 10 | – | – | '8 | – 4 4 | – | – |
| '9 | – 6 – | – 4 6 | 2 78 | '9 | – 3 8 | – 5 4 | 3 31 |
| 1470 | – | – 2 10 | 1 75 | 1490 | – | – 5 4 | 3 31 |
| | – 5 3 | – 4 9 | 3 – | | – 6 4 | – 9 5 | 5 87 |
| 1471 | – | – 4 4 | 2 72 | 1491 | – 10 8 | – | – |
| '2 | – | – 4 – | 2 47 | '2 | – 4 8 | – 5 4 | 3 31 |
| '3 | – | – 4 – | 2 47 | '3 | – 4 – | – | – |
| '4 | – | – 7 1 | 4 44 | '4 | – 4 – | – | – |
| '5 | – | – 4 10 | 3 04 | '5 | – 3 4 | – 3 7 | 2 26 |
| 1476 | – | – 7 1 | 4 44 | 1496 | – 4 4 | – | – |
| '7 | – | – 6 6 | 4 07 | '7 | 1 – – | – | – |
| '8 | – | – 7 7 | 4 74 | '8 | – 4 – | – 7 1 | 4 41 |
| '9 | – | – | – | '9 | – 5 – | – 9 – | 5 63 |
| 1480 | – 8 – | – | – | 1500 | – 3 4 | – 4 6 | 2 78 |
| | – 8 – | – 5 8 | 3 55 | | – 6 4 | – 5 11 | 3 68 |

(Q.) *Prices of Wheat in England and France*, 1401–1580—continued.

| 1 | 2 | 3 | 4 |
|---|---|---|---|
| Year. | ENGLAND. Price of Wheat per Winch. Qr. (*Eden.*) | FRANCE. Average Price of Wheat. (*Garnier.*) Equivalent Engl. Price per Win. 8 bush. Qr. | Price per Set. de Paris. |
| | £ s. d. | £ s. d. | *Francs.* |
| 1501 | – 7 – | – 10 6 | 6 57 |
| '2 | – | – | – |
| '3 | – 5 10 | – | – |
| '4 | – 5 10 | – | – |
| '5 | – 6 8 | – | – |
| 1506 | – | – | – |
| '7 | – | – | – |
| '8 | – | – 9 – | 5 53 |
| '9 | – 3 8 | – 5 10 | 3 64 |
| 1510 | – | – 2 11 | 1 82 |
| | – 5 9 | – 7 1 | 4 39 |
| 1511 | – 6 8 | – 3 2 | 1 96 |
| '2 | – 18 8 | – 4 10 | 3 10 |
| '3 | – 7 4 | – 7 2 | 4 49 |
| '4 | – 8 8 | – | – |
| '5 | – 6 – | 1 2 10 | 14 26 |
| 1516 | – 8 4 | – | – |
| '7 | – | – 8 10 | 5 56 |
| '8 | – 13 – | – | – |
| '9 | – 10 3 | – 7 5 | 4 64 |
| 1520 | – 8 – | – 8 6 | 5 31 |
| | – 9 8 | – 9 – | 5 62 |

| 1 | 2 | 3 | 4 |
|---|---|---|---|
| Year. | ENGLAND. Price of Wheat per Winch. Qr. (*Eden.*) | FRANCE. Average Price of Wheat. (*Garnier.*) Equivalent Engl. Price per Win. 8 bush. Qr. | Price per Set. de Paris. |
| | £ s. d. | £ s. d. | *Francs.* |
| 1521 | 1 3 4 | 1 7 5 | 17 15 |
| '2 | – 9 4 | – 19 9 | 12 35 |
| '3 | – | – | – |
| '4 | – 13 4 | – 19 9 | 12 35 |
| '5 | – 10 2 | – 6 7 | 4 12 |
| 1526 | – | – 5 11 | 3 72 |
| '7 | – 14 7 | – 14 2 | 8 84 |
| '8 | – 18 1 | – 14 3 | 8 91 |
| '9 | – 18 – | 1 4 5 | 15 28 |
| 1530 | – 5 4 | – 16 10 | 10 51 |
| | – 14 1 | – 15 9 | 10 38 |
| 1531 | – | 1 14 – | 21 23 |
| '2 | – | 1 6 10 | 16 80 |
| '3 | – | – 13 5 | 8 40 |
| '4 | – 7 7 | – 10 3 | 6 43 |
| '5 | – | – 13 9 | 8 61 |
| 1536 | – | – 19 9 | 12 35 |
| '7 | – 13 4 | – | – |
| '8 | – 17 4 | – 17 9 | 11 11 |
| '9 | – 13 4 | 1 4 9 | 15 48 |
| 1540 | – 13 4 | – 11 4 | 7 09 |
| | – 12 11 | – 19 1 | 11 94 |

(Q.) *Prices of Wheat in England and France*, 1401–1580—continued.

| 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|---|
| Year. | ENGLAND. Price of Wheat per Winch. Qr. (*Eden.*) | FRANCE. Average Price of Wheat. (*Garnier.*) Equivalent Engl. Price per Win. 8 bush. Qr. | Price per Set. de Paris. | Year. | ENGLAND. Price of Wheat per Winch. Qr. (*Eden.*) | FRANCE. Average Price of Wheat. (*Garnier.*) Equivalent Engl. Price per Win. 8 bush. Qr. | Price per Set. de Paris. |
| | £ s. d. | £ s. d. | *Francs.* | | £ s. d. | £ s. d. | *Francs.* |
| 1541 | – 18 8 | – 11 – | 7 35 | 1561 | 1 – 7 | 1 4 11 | 15 56 |
| '2 | – 14 8 | – 14 6 | 9 06 | '2 | – 17 6 | 1 13 5 | 20 89 |
| '3 | 1 – – | – 16 2 | 10 08 | '3 | – 17 6 | 2 4 7 | 27 89 |
| '4 | 1 5 4 | – 18 5 | 11 52 | '4 | – 16 – | – 19 9 | 12 33 |
| '5 | – 18 8 | – 18 – | 11 24 | '5 | – 18 5 | 1 12 1 | 20 05 |
| 1546 | – | – 16 7 | 10 37 | 1566 | – 17 – | 2 4 3 | 27 65 |
| '7 | – | – 13 1 | 8 15 | '7 | – 15 – | 1 11 – | 19 42 |
| '8 | – 6 8 | – 13 11 | 8 71 | '8 | – 13 4 | – | – |
| '9 | – | – | – | '9 | – 16 – | 1 7 3 | 17 07 |
| 1550 | – 14 1 | – | – | 1570 | – | 1 3 – | 14 38 |
| | – 17 – | – 15 2 | 9 56 | | – 16 9 | 1 11 1 | 19 47 |
| 1551 | | | | | | | |
| '2 | – 11 – | – | – | 1571 | – | 1 14 3 | 21 41 |
| '3 | – 17 6 | – | – | '2 | 1 – 6 | 1 19 2 | 24 52 |
| '4 | – 11 7 | 1 – 3 | 12 67 | '3 | 1 12 9 | 3 14 7 | 46 62 |
| '5 | – 11 – | – 18 6 | 11 52 | '4 | 1 4 – | 3 10 10 | 44 25 |
| | – 9 8 | – 18 9 | 11 74 | '5 | 1 – – | 1 6 2 | 16 36 |
| 1556 | | | | | | | |
| '7 | 1 7 5 | 1 11 10 | 19 88 | 1576 | – 16 – | 1 12 4 | 20 21 |
| '8 | – 18 – | 1 11 4 | 19 59 | '7 | – | 1 1 4 | 13 37 |
| '9 | – 9 9 | – 17 2 | 10 66 | '8 | – 18 – | 1 3 – | 14 40 |
| 1560 | – 12 – | 1 – – | 12 54 | '9 | – 16 3 | 1 4 7 | 15 38 |
| | – 18 5 | 1 – 9 | 12 96 | 1580 | 1 8 – | 1 4 8 | 15 43 |
| | – 14 7 | – 17 3 | 13 82 | | 1 2 – | 1 17 1 | 23 20 |

## (R.) II. *Prices of Wheat in England and France, 1580—1770, according to the Eton and Oxford Tables, as regards England; and to the Tables given by the Marquis Garnier for the Whole of France, and by St. Maur, for Rosoy, near Paris.*

[The Eton and Oxford Prices (cols 1. and 2.) are original Prices, as entered, in the several years, in the money of those years; but it is to be borne in mind that from the year 1553, the intrinsic value of English Silver Coinage has substantially remained unchanged.

The Prices given by Garnier (col. 4.) are in the French money (*francs and cents*) of the date (1822) of his work, the quotations in such French money being deduced by him from the original entries made in the money of the several years; and from the prices so given by Garnier, the equivalents in present English money (col. 6.) have been obtained at the rate of 25 frs. per £.

The Prices given by Du Pres de St. Maur (col. 5.) are in the original French money (*Livres, Sols, and Deniers,*) of the several years; and from these original entries the Equivalents in *present* English money (col. 7.) have been obtained, making careful allowance in the calculations for the frequent alterations from time to time of the intrinsic value of the French *Livre*.

And as the intrinsic value of the English Silver Coinage has remained substantially unchanged since 1553, it follows that the four columns of Prices (cols. 1, 2, 4, 5,) expressed in English Money, may be considered, for the present purpose, as strictly PARALLEL PRICES.]

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| ENGLAND. Win. 8 bush. Qr. | | YEAR. | FRANCE. English present Money equivlt. Price per Win. 8 bush. Qr. | | FRANCE. Orfginal Quotation of the Setier de Paris. | |
| ETON. | Oxford. | | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) |
| £ s. d. | £ s. d. | | £ s. d. | £ s. d. | *Francs.* | *Liv. Tour.* |
| – | – | 1581 | 1 2 6 | – | 14 04 | – |
| – | – | '2 | 1 11 6 | – | 19 70 | – |
| – | – 17 2 | '3 | 1 11 10 | – | 19 92 | – |
| – | – 15 8 | '4 | 1 15 10 | – | 22 39 | – |
| – | 1 1 – | '5 | 1 14 8 | – | 21 65 | – |
| – | 1 12 – | 1586 | – | – | – | – |
| – | 1 7 10 | '7 | – | – | – | – |
| – | – 14 2 | '8 | – | – | – | – |
| – | – 19 7 | '9 | 1 6 4 | – | 16 46 | – |
| – | 1 3 1 | 1590 | 2 10 4 | – | 31 44 | – |
| | 1 1 4 | | 1 13 4 | | 20 80 | |

(R.) *Prices of Wheat in England and France*, 1580–1770—cont.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| ENGLAND. Win. 8 bush. Qr. | | Year. | FRANCE. English present Money equivlt. Price per Win. 8 bush. Qr. | | FRANCE. Original Quotation of the Setier de Paris. | |
| Eton. | Oxford. | | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) |
| £ s. d. | £ s. d. | | £ s. d. | £ s. d. | *Francs.* | *Liv. Tour.* |
| – | 1 – 2 | 1591 | 6 11 10 | – | 79 89 | – |
| – | – 16 7 | '2 | 3 15 10 | – | 47 41 | – |
| – | – 18 4 | '3 | – | – | – | – |
| – | 1 12 – | '4 | – | – | – | – |
| 1 15 7 | 1 18 6 | '5 | 5 1 1 | – | 63 21 | – |
| 2 2 8 | 2 6 3 | 1596 | 3 14 4 | 3 6 – | 46 46 | 17 12 9 |
| 3 1 10 | 2 16 10 | '7 | 3 7 3 | 2 19 10 | 42 03 | 15 19 2 |
| 2 10 5 | 1 17 11 | '8 | 2 18 5 | 2 11 10 | 36 50 | 13 17 3 |
| 1 14 10 | 1 3 8 | '9 | 1 11 1 | 1 7 7 | 19 44 | 7 7 7 |
| 1 13 6 | 1 9 – | 1600 | 1 10 1 | 1 6 7 | 18 80 | 7 2 9 |
| 2 3 2 | 1 11 11 | | 3 11 3 | 2 6 4 | 44 22 | 12 7 11 |
| 1 11 – | 1 6 8 | 1601 | 1 9 1 | 1 5 10 | 18 19 | 6 18 1 |
| 1 6 1 | 1 4 3 | '2 | 1 2 10 | 1 4 – | 14 26 | 6 8 5 |
| 1 11 5 | 1 6 8 | '3 | 1 11 9 | 1 13 10 | 19 86 | 8 18 9 |
| 1 7 3 | 1 4 3 | '4 | 1 7 1 | 1 8 – | 16 93 | 7 9 10 |
| 1 11 10 | 1 6 11 | '5 | 1 3 3 | 1 4 5 | 14 54 | 6 10 9 |
| 1 9 4 | 1 5 5 | 1606 | 1 6 3 | 1 7 7 | 16 41 | 7 7 7 |
| 1 12 7 | 1 9 – | '7 | 1 6 5 | 1 7 10 | 16 53 | 7 8 9 |
| 2 10 8 | 2 4 5 | '8 | 2 3 – | 2 3 2 | 25 60 | 11 10 4 |
| 2 4 5 | 2 – 4 | '9 | 1 15 10 | 1 17 10 | 22 40 | 10 1 7 |
| 1 11 10 | 1 7 3 | 1610 | 1 6 10 | 1 8 2 | 16 78 | 7 11 2 |
| 1 13 8 | 1 9 6 | | 1 9 3 | 1 10 1 | 18 15 | 8 – 6 |

(R.) *Prices of Wheat in England and France*, 1580–1770—cont.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| ENGLAND. Win. 8 bush. Qr. | | Year. | FRANCE. | | | |
| | | | English present Money equivlt. Price per Win. 8 bush. Qr. | | Original Quotation of the Setier de Paris. | |
| Eton. | Oxford. | | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) |
| £ s. d. | £ s. d. | | £ s. d. | £ s. d. | *Francs.* | *Liv. Tour.* |
| 1 14 4 | 1 10 3 | 1611 | 1 7 1 | 1 8 5 | 16 93 | 7 12 4 |
| 1 19 10 | 1 16 9 | '12 | 1 7 6 | 1 9 – | 17 20 | 7 14 9 |
| 2 3 3 | 1 19 8 | '13 | 1 4 8 | 1 6 – | 15 44 | 6 19 2 |
| 1 17 – | 1 19 1 | '14 | 1 8 2 | 1 9 2 | 17 61 | 7 15 11 |
| 1 14 4 | 1 12 3 | '15 | 1 4 7 | 1 5 5 | 15 85 | 6 15 7 |
| 1 15 10 | 1 14 11 | 1616 | 1 5 2 | 1 6 5 | 15 74 | 7 1 7 |
| 2 3 3 | 1 19 8 | '17 | 1 7 9 | 1 9 2 | 17 33 | 7 15 11 |
| 2 1 6 | 1 18 11 | '18 | 2 11 4 | 2 4 7 | 32 09 | 11 18 9 |
| 1 9 2 | 1 10 10 | '19 | 1 11 7 | 1 13 2 | 19 73 | 8 17 7 |
| 1 7 – | 1 6 4 | '20 | 1 3 6 | 1 4 2 | 14 67 | 6 9 7 |
| 1 16 7 | 1 14 10 | | 1 9 2 | 1 9 7 | 18 20 | 7 18 1 |
| 1 7 – | 1 5 9 | 1621 | 1 10 5 | 1 12 – | 19 02 | 8 11 7 |
| 2 12 2 | 2 7 1 | '2 | 2 – 1 | 2 2 2 | 25 06 | 11 5 7 |
| 2 6 3 | 2 5 7 | '3 | 1 18 7 | 2 1 7 | 24 11 | 11 2 – |
| 2 2 8 | 1 18 6 | '4 | 1 7 1 | 1 11 10 | 18 93 | 8 10 4 |
| 2 6 2 | 2 1 2 | '5 | 1 13 6 | 1 15 5 | 20 96 | 9 9 7 |
| 2 3 10 | 1 19 5 | '6 | 2 19 9 | 3 2 10 | 37 33 | 16 15 11 |
| 1 12 – | 1 10 6 | '7 | 2 7 1 | 2 9 7 | 29 46 | 13 5 2 |
| 1 4 11 | 1 5 5 | '8 | 1 15 2 | 1 17 – | 22 – | 9 17 11 |
| 1 17 4 | 1 14 8 | '9 | 1 12 – | 1 13 7 | 20 – | 9 – – |
| 2 9 6 | 2 6 2 | 1630 | 1 18 – | 2 – – | 23 73 | 10 13 7 |
| 2 – 2 | 1 17 5 | | 1 18 2 | 2 – 7 | 24 06 | 10 17 2 |

(R.) *Prices of Wheat in England and France*, 1580–1770 — cont.

| 1 | 2 | 3 | 4 | 5 | 6 | |
|---|---|---|---|---|---|---|
| ENGLAND. Win. 8 bush. Qr. | | Year. | FRANCE. | | | |
| | | | English present Money equivlt. Price per Win. 8 bush. Qr. | | Original Quotation of the Setier de Paris. | |
| Eton. | Oxford. | | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) |
| £. s. d. | £ s. d. | | £ s. d. | £ s. d. | *Francs.* | *Liv. Tour.* |
| 3 – 5 | 2 12 2 | 1631 | 3 11 2 | 3 12 5 | 44 5 | 19 6 4 |
| 2 7 5 | 2 2 4 | '2 | 2 14 7 | 2 17 7 | 34 13 | 15 7 2 |
| 2 11 7 | 2 3 10 | '3 | 1 19 3 | 2 – 10 | 24 54 | 10 18 4 |
| 2 9 9 | 2 3 3 | '4 | 1 12 11 | 1 14 7 | 20 56 | 9 4 9 |
| 2 9 9 | 2 2 1 | '5 | 1 15 3 | 1 17 2 | 22 06 | 9 18 7 |
| 2 10 4 | 2 3 10 | 1636 | 1 16 10 | 2 3 7 | 23 04 | 11 13 4 |
| 2 7 1 | 2 3 3 | '7 | 1 15 1 | 2 1 7 | 21 93 | 11 1 11 |
| 2 11 – | 2 7 1 | '8 | 1 13 2 | 1 19 2 | 20 74 | 10 9 11 |
| 1 19 10 | 1 15 7 | '9 | 1 8 9 | 1 15 – | 17 99 | 9 7 2 |
| 1 19 8 | 1 16 2 | 1640 | 1 9 9 | 1 15 2 | 18 61 | 9 8 4 |
| 2 8 8 | 2 2 11 | | 1 19 8 | 2 3 8 | 24 76 | 11 13 7 |
| 2 2 8 | 2 – 3 | 1641 | 1 15 5 | 1 15 10 | 22 14 | 11 19 2 |
| – | 1 13 9 | '2 | 1 15 11 | 1 16 4 | 22 44 | 12 2 5 |
| – | 2 – 3 | '3 | 2 13 8 | 2 12 8 | 33 57 | 17 11 7 |
| – | 1 13 2 | '4 | 2 12 8 | 2 12 4 | 32 93 | 17 11 – |
| – | 1 18 6 | '5 | 1 13 8 | 1 6 2 | 21 05 | 8 14 4 |
| 2 9 2 | 2 5 7 | '6 | 1 8 1 | 1 8 1 | 17 56 | 9 7 2 |
| 3 5 5 | 2 18 1 | '7 | 1 18 1 | 1 16 6 | 23 79 | 12 3 7 |
| 3 15 6 | 2 19 3 | '8 | 2 5 7 | 2 5 6 | 28 49 | 15 3 7 |
| – | 3 2 6 | '9 | 2 16 9 | 2 17 – | 35 47 | 18 18 – |
| 3 8 2 | 2 14 6 | 1650 | 3 19 7 | 3 19 6 | 49 77 | 26 10 5 |
| 3 – 2 | 2 6 7 | | 2 6 – | 2 5 – | 28 71 | 15 – 1 |

(R.) *Prices of Wheat in England and France*, 1580–1770—cont.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| ENGLAND. Win. 8 bush. Qr. | | Year. | FRANCE. English present Money equivlt. Price per Win. 8 bush Qr. | | FRANCE. Original Quotation of the Setier de Paris. | |
| Eton. | Oxford. | | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) |
| £ s. d. | £ s. d. | | £ s. d. | £ s. d. | *Francs.* | *Liv. Tour.* |
| 3 1 – | 2 9 5 | 1651 | 3 17 – | 3 16 11 | 48 14 | 25 13 – |
| 2 3 10 | 1 18 10 | '2 | 3 14 9 | 3 15 – | 46 73 | 24 18 – |
| 1 11 5 | 1 6 1 | '3 | 2 – 1 | 2 – – | 25 05 | 13 7 – |
| 1 3 1 | – 19 10 | '4 | 1 17 10 | 1 17 9 | 23 65 | 12 12 – |
| 1 9 7 | 1 7 10 | '5 | 1 12 11 | 1 12 10 | 20 55 | 10 19 – |
| 1 18 2 | 1 15 7 | 1656 | 1 11 11 | 1 12 2 | 19 96 | 10 14 6 |
| 2 1 6 | 1 18 10 | '7 | 1 10 7 | 1 10 7 | 19 14 | 10 4 – |
| 2 17 9 | 2 11 7 | '8 | 1 19 – | 1 18 10 | 24 35 | 12 19 6 |
| 2 18 8 | 2 13 – | '9 | 2 5 8 | 2 5 7 | 28 57 | 15 4 6 |
| 2 11 3 | 2 6 9 | 1660 | 2 12 3 | 2 12 2 | 32 65 | 17 8 – |
| 2 3 7 | 1 18 9 | | 2 6 2 | 2 6 2 | 28 87 | 15 7 11 |
| 3 2 2 | 2 15 1 | 1661 | 3 19 8 | 3 19 7 | 49 82 | 26 11 – |
| 3 5 9 | 3 2 9 | '2 | 5 – 5 | 5 – 4 | 62 78 | 33 9 – |
| 2 10 8 | 2 3 3 | '3 | 3 1 11 | 3 1 10 | 38 70 | 20 12 6 |
| 2 8 – | 2 – 11 | '4 | 2 11 4 | 2 11 3 | 32 09 | 17 2 – |
| 2 3 10 | 1 18 2 | '5 | 2 1 5 | 2 1 4 | 25 90 | 13 16 – |
| 1 2 – | 1 9 – | 1666 | 1 18 11 | 1 18 5 | 24 31 | 12 16 6 |
| 1 12 – | 1 9 7 | '7 | 1 7 – | 1 7 – | 16 89 | 9 – – |
| 1 15 6 | 1 13 2 | '8 | 1 3 10 | 1 3 10 | 14 92 | 7 19 – |
| 2 – – | 1 18 6 | '9 | 1 4 4 | 1 4 5 | 15 23 | 8 2 11 |
| 1 17 – | 1 14 11 | 1670 | 1 5 4 | 1 4 – | 15 82 | 8 8 7 |
| 2 3 8 | 2 – 6 | | 2 7 5 | 2 7 2 | 29 64 | 15 15 9 |

(R.) *Prices of Wheat in England and France*, 1580–1770—cont.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| ENGLAND. Win. 8 bush. Qr. | | Year. | FRANCE. | | | |
| | | | English present Money equivlt. Price per Win. 8 bush. Qr. | | Original Quotation of the Setier de Paris. | |
| Eton. | Oxford. | | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) | Whole of France. (*Garnier.*) | Rosoy. (*St Maur.*) |
| £ s. d. | £ s. d. | | £ s. d. | £ s. d. | *Francs.* | *Liv. Tour.* |
| 1 17 4 | 1 14 1 | 1671 | 1 8 2 | 1 8 1 | 17 59 | 9 7 6 |
| 1 17 10 | 1 16 2 | '2 | 1 9 3 | 1 9 4 | 18 30 | 9 15 – |
| 2 1 6 | 2 3 10 | '3 | 1 3 7 | 1 4 4 | 14 76 | 8 2 3 |
| 3 1 – | 3 1 4 | '4 | 1 8 5 | 1 9 1 | 17 74 | 9 14 1 |
| 2 12 2 | 2 5 – | '5 | 2 3 – | 2 2 11 | 26 89 | 14 6 6 |
| 1 13 9 | 1 9 – | 1676 | 1 10 7 | 1 10 7 | 19 13 | 10 4 – |
| 1 17 4 | 1 15 3 | '7 | 1 14 11 | 1 14 10 | 21 81 | 11 12 6 |
| 2 12 5 | 2 7 8 | '8 | 2 3 5 | 2 3 8 | 27 16 | 14 9 6 |
| 2 8 – | 2 4 9 | '9 | 2 9 4 | 2 9 3 | 30 83 | 16 8 6 |
| 2 – – | 1 15 3 | 1680 | 1 18 1 | 1 18 1 | 23 79 | 12 13 6 |
| 2 4 2 | 2 1 3 | | 1 14 10 | 1 15 – | 21 80 | 11 13 4 |
| 2 1 5 | 1 19 1 | 1681 | 2 – 6 | 2 – 6 | 25 33 | 13 10 – |
| 1 19 1 | 1 15 3 | '2 | 1 18 9 | 1 15 3 | 24 21 | 11 15 6 |
| 1 15 6 | 1 15 3 | '3 | 1 14 – | 1 13 11 | 21 25 | 11 6 6 |
| 1 19 1 | 1 16 8 | '4 | 2 3 – | 2 2 11 | 26 86 | 14 6 6 |
| 2 1 6 | 1 18 9 | '5 | 2 8 2 | 2 8 1 | 30 12 | 16 1 – |
| 1 10 2 | 1 6 8 | 1686 | 1 10 5 | 1 10 4 | 19 – | 10 2 6 |
| 1 11 6 | 1 7 7 | '7 | 1 12 – | 1 11 11 | 19 19 | 10 13 – |
| 1 3 1 | 1 3 1 | '8 | 1 1 – | 1 1 – | 13 16 | 7 – 3 |
| 1 6 8 | 1 8 2 | '9 | 1 1 1 | 1 3 8 | 13 19 | 7 18 3 |
| 1 10 9 | 1 9 4 | 1690 | 1 4 10 | 1 7 10 | 15 51 | 9 6 – |
| 1 13 10 | 1 12 – | | 1 13 4 | 1 13 6 | 20 86 | 11 3 11 |

(R.) *Prices of Wheat in England and France*, 1580–1770—cont.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| ENGLAND. Win. 8 bush. Qr. | | Year. | FRANCE. English present Money equivlt. Price per Win. 8 bush. Qr. | | FRANCE. Original Quotation of the Setier de Paris. | |
| Eton. | Oxford. | | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) |
| £ s. d. | £ s. d. | | £ s. d. | £ s. d. | *Francs.* | *Liv. Tour.* |
| 1 9 10 | 1 9 11 | 1691 | 1 6 2 | 1 2 1 | 16 37 | 9 16 6 |
| 2 1 9 | 1 19 8 | '2 | 1 13 10 | 1 8 6 | 21 14 | 12 13 6 |
| 2 19 7 | 2 16 3 | '3 | 3 12 6 | 2 17 4 | 45 33 | 25 10 – |
| 2 16 10 | 2 10 11 | '4 | 4 17 1 | 4 8 5 | 60 99 | 39 6 – |
| 2 7 1 | 2 3 10 | '5 | 1 15 7 | 1 12 2 | 22 23 | 14 6 6 |
| 2 16 – | 2 7 1 | 1696 | 1 16 7 | 1 13 3 | 22 88 | 14 15 6 |
| 2 8 10 | 2 13 10 | '7 | 2 2 10 | 1 18 10 | 26 77 | 17 5 – |
| 3 – 9 | 2 18 1 | '8 | 2 13 7 | 2 8 2 | 33 52 | 21 8 – |
| 2 16 – | 2 16 3 | '9 | 3 7 – | 3 – 5 | 41 87 | 26 17 – |
| 1 15 6 | 1 14 4 | 1700 | 3 1 9 | 2 13 7 | 38 62 | 23 14 – |
| 2 9 3 | 2 7 – | | 2 12 8 | 2 6 8 | 32 97 | 20 11 2 |
| 1 11 8 | 1 8 5 | 1701 | 2 2 6 | 1 15 7 | 26 54 | 15 16 6 |
| 1 6 1 | 1 4 7 | '2 | 1 9 7 | 1 14 4 | 18 52 | 15 5 6 |
| 1 12 – | 1 8 5 | '3 | 1 7 11 | 1 6 6 | 17 44 | 11 15 6 |
| 2 1 2 | 1 15 6 | '4 | 1 5 2 | 1 6 1 | 15 74 | 11 9 6 |
| 1 6 8 | 1 6 – | '5 | 1 3 8 | 1 3 4 | 14 81 | 10 7 9 |
| 1 3 1 | 1 2 – | 1706 | – 19 8 | – 17 9 | 12 30 | 7 17 4 |
| 1 5 2 | 1 3 1 | '7 | – 17 4 | – 15 7 | 10 86 | 6 18 9 |
| 1 16 9 | 1 12 10 | '8 | 1 3 9 | 1 2 7 | 14 86 | 10 1 – |
| 3 9 7 | 3 6 4 | '9 | 4 8 – | 5 1 3 | 55 – | 44 11 – |
| 3 9 4 | 3 6 4 | 1710 | 4 – – | 4 11 2 | 50 – | 40 10 – |
| 1 18 2 | 1 15 4 | | 1 19 9 | 1 19 5 | 23 60 | 17 9 3 |

(R.) *Prices of Wheat in England and France*, 1580–1770—cont.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| ENGLAND. Win. 8 bush. Qr. | | Year. | FRANCE. English present Money equivlt. Price per Win. 8 bush. Qr. | | FRANCE. Original Quotation of the Setier de Paris. | |
| Eton. | Oxford. | | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) |
| £ s. d. | £ s. d. | | £ s. d. | £ s. d. | *Francs.* | *Liv. Tour.* |
| 2 8 – | 2 5 7 | 1711 | 1 14 5 | 2 – 4 | 21 51 | 17 18 6 |
| 2 1 2 | 1 18 6 | '12 | 2 1 2 | 2 6 11 | 25 74 | 20 17 – |
| 2 5 4 | 2 – 7 | '13 | 2 16 5 | 3 4 3 | 35 27 | 28 11 6 |
| 2 4 8 | 2 3 10 | '14 | 3 4 10 | 3 5 6 | 40 62 | 29 2 – |
| 1 18 2 | 1 15 10 | '15 | 1 19 – | 1 12 4 | 24 36 | 14 7 3 |
| 2 2 8 | 2 2 4 | 1716 | 1 4 7 | 1 8 – | 15 37 | 12 9 – |
| 2 – 5 | 1 17 4 | '17 | – 19 9 | – 14 8 | 12 33 | 9 17 3 |
| 1 14 8 | 1 11 1 | '18 | – 14 3 | – 16 5 | 8 89 | 10 19 – |
| 1 11 – | 1 10 10 | '19 | 1 – 6 | 1 1 6 | 12 79 | 14 7 3 |
| 1 12 10 | 1 8 5 | 1720 | 1 6 – | 1 10 10 | 16 25 | 20 11 – |
| 1 19 11 | 1 17 5 | | 1 14 1 | 1 16 1 | 21 31 | 17 18 – |
| 1 13 14 | 1 9 7 | 1721 | – 18 7 | 1 2 – | 11 61 | 14 14 – |
| 1 12 – | 1 9 – | '2 | 1 – 3 | 1 4 1 | 12 69 | 16 1 – |
| 1 10 9 | 1 8 5 | '3 | 1 9 8 | 1 17 7 | 18 56 | 25 1 – |
| 1 12 10 | 1 10 2 | '4 | 2 – 11 | 1 17 5 | 25 58 | 24 19 6 |
| 2 3 1 | 1 17 9 | '5 | 2 17 7 | 2 5 6 | 36 – | 30 7 6 |
| 2 – 11 | 2 2 8 | 1726 | 2 1 11 | 1 19 10 | 26 22 | 26 11 – |
| 1 17 4 | 1 16 9 | '7 | 1 10 1 | 1 8 7 | 18 82 | 19 1 – |
| 2 8 3 | 2 10 – | '8 | 1 – 3 | – 19 3 | 12 67 | 12 16 6 |
| 2 2 3 | 2 6 1 | '9 | 1 7 – | 1 5 8 | 16 89 | 17 2 – |
| 1 12 5 | 1 11 5 | 1730 | 1 4 9 | 1 3 6 | 15 48 | 15 13 6 |
| 1 17 4 | 1 16 2 | | 1 11 – | 1 10 4 | 19 45 | 20 4 8 |

(R.) *Prices of Wheat in England and France*, 1580–1770—cont.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| ENGLAND. Win. 8 bush. Qr. | | Year. | FRANCE. English present Money equivlt. Price per Win. 8 bush. Qr. | | FRANCE. Original Quotation of the Setier de Paris. | |
| Eton. | Oxford. | | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) |
| £ s. d. | £ s. d. | | £ s. d. | £ s. d. | *Francs.* | *Liv. Tour.* |
| 1 9 4 | 1 4 – | 1731 | 1 10 3 | 1 9 5 | 18 91 | 19 13 – |
| 1 3 8 | 1 2 2 | '2 | 1 1 2 | 1 – 2 | 13 26 | 13 8 6 |
| 1 5 2 | 1 3 4 | '3 | – 16 4 | – 15 6 | 10 22 | 10 7 – |
| 1 13 5 | 1 10 2 | '4 | – 17 5 | – 16 6 | 10 89 | 11 – 6 |
| 1 18 3 | 1 15 11 | '5 | – 17 11 | – 17 – | 11 19 | 11 6 6 |
| 1 15 10 | 1 17 4 | 1736 | 1 – 7 | – 19 7 | 12 89 | 13 1 – |
| 1 13 7 | 1 15 8 | '7 | 1 3 3 | 1 2 – | 14 52 | 14 14 – |
| 1 11 7 | 1 7 11 | '8 | 1 9 7 | 1 8 1 | 18 52 | 18 15 – |
| 1 13 2 | 1 11 8 | '9 | 1 16 3 | 1 15 5 | 22 67 | 22 19 – |
| 2 8 10 | 2 7 10 | 40 | 2 3 7 | 2 1 5 | 27 26 | 27 12 – |
| 1 13 3 | 1 11 7 | | 1 5 7 | 1 4 6 | 16 05 | 16 5 8 |
| 2 1 9 | 2 3 3 | 1741 | 3 – 2 | 2 17 2 | 37 63 | 38 2 – |
| 1 8 5 | 1 8 5 | '2 | 1 13 4 | 1 11 8 | 20 84 | 21 2 1 |
| 1 2 2 | 1 1 – | '3 | – 18 6 | – 17 7 | 11 59 | 11 14 9 |
| 1 2 1 | 1 1 8 | '4 | – 17 6 | – 16 7 | 10 93 | 11 1 3 |
| 1 4 3 | 1 1 11 | '5 | – 17 11 | – 17 – | 11 19 | 11 6 6 |
| 1 14 8 | 1 10 6 | 1746 | 1 3 6 | – | 14 69 | – |
| 1 10 11 | 1 10 6 | '7 | 1 4 6 | – | 15 33 | – |
| 1 12 10 | 1 9 4 | '8 | 1 11 2 | – | 19 51 | – |
| 1 12 10 | 1 9 11 | '9 | 1 9 5 | – | 18 40 | – |
| 1 8 10 | 1 8 8 | 50 | 1 8 5 | – | 17 78 | – |
| 1 9 10 | 1 8 6 | | 1 8 5 | 1 8 – | 17 78 | 18 13 4 |

(R.) *Prices of Wheat in England and France*, 1580–1770 — cont.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| ENGLAND. Win. 8 bush. Qr. | | Year. | FRANCE. | | | |
| | | | English present Money equivlt. Price per Win. 8 bush. Qr. | | Original Quotation of the Setier de Paris. | |
| Eton. | Oxford. | | Whole of France. (*Garnier.*) | Rosoy. (*St. Maur.*) | Whole of France. (*Garnier.*) | Rosoy. *St. Maur.* |
| £ s. d. | £ s. d. | | £ s. d. | | *Francs.* | *Liv. Tour.* |
| 1 14 2 | 1 12 10 | 1751 | 1 11 1 | – | 19 44 | – |
| 2 – 9 | 1 15 7 | '2 | 1 19 1 | – | 24 44 | – |
| 1 19 8 | 1 17 9 | '3 | 1 11 11 | – | 19 94 | – |
| 1 10 9 | 1 12 2 | '4 | 1 10 5 | – | 19 01 | – |
| 1 9 11 | 1 9 11 | '5 | 1 3 5 | – | 14 63 | – |
| | | | | | Hectolitre. | |
| 2 – 2 | 1 18 2 | 1756 | 1 1 10 | – | 9 58 | – |
| 2 13 4 | 3 – 5 | '7 | 1 7 2 | – | 11 91 | – |
| 2 4 5 | 2 7 1 | '8 | 1 5 9 | – | 11 29 | – |
| 1 15 3 | 1 14 8 | '9 | – 17 4 | – | 11 79 | – |
| 1 12 5 | 1 9 7 | 1760 | – 17 4 | – | 11 79 | – |
| 1 18 1 | 1 17 10 | | 1 6 6 | – | 15 38 | – |
| 1 6 10 | 1 4 5 | 1761 | 1 2 8 | – | 10 00 | – |
| 1 14 8 | 1 9 11 | '2 | 1 2 7 | – | 9 94 | – |
| 1 16 1 | 1 13 2 | '3 | 1 1 7 | – | 9 53 | – |
| 2 1 6 | 2 – – | '4 | 1 2 9 | – | 10 03 | – |
| 2 8 – | 2 6 3 | '5 | 1 5 4 | – | 11 18 | – |
| 2 3 1 | 2 – 11 | 1766 | 1 10 2 | – | 13 29 | – |
| 2 17 4 | 3 3 5 | '7 | 1 12 6 | – | 14 31 | – |
| 2 13 9 | 2 17 1 | '8 | 1 15 3 | – | 15 53 | – |
| 2 – 8 | 2 4 5 | '9 | 1 15 – | – | 15 41 | – |
| 2 3 7 | 2 9 9 | 1770 | 2 2 11 | – | 18 85 | – |
| 2 2 7 | 2 2 11 | | 1 9 1 | – | 12 81 | – |

(S.) III. *Prices of Wheat in England and France*, 1771—1855, *according to the Official Returns of the Average Annual Price of Wheat in England and Wales, first collected under the Act of* 1770; *and as regards France, according to Official Statements (commencing in the year* 1756) *of the Annual Average Price for the Whole of France; the Quotations being reduced throughout into Sterling as for the Imperial Quarter; and the periods embraced being Calendar Years.*

[The French Prices (col. 4.), are in present French money (*francs and cents*), and the equivalent is given (col. 3.) in Sterling at 25 francs per £.]

| 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|---|
| ENGLAND. Official Statement. Ann. Ave. per Impl. Qtr. | Year. | WHOLE OF FRANCE. Official Statement. Equivalent English Price per Impl. Qtr. | WHOLE OF FRANCE. Official Statement. Price per Hectolitre. | ENGLAND. Official Statement. Ann. Ave. per Impl. Qtr. | Year. | WHOLE OF FRANCE. Official Statement. Equivalent English Price per Impl. Qtr. | WHOLE OF FRANCE. Official Statement. Price per Hectolitre. |
| £ s. d. | | £ s. d. | *Francs.* | £ s. d. | | £ s. d. | *Francs.* |
| 2 8 7 | 1771 | 2 2 4 | 18 19 | 2 6 9 | 1781 | 1 11 3 | 13 47 |
| 2 12 3 | '2 | 1 18 9 | 16 68 | 2 9 3 | '2 | 1 15 6 | 15 29 |
| 2 12 7 | '3 | 1 18 3 | 16 48 | 2 14 3 | '3 | 1 14 11 | 15 07 |
| 2 14 3 | '4 | 1 13 10 | 14 60 | 2 10 4 | '4 | 1 15 7 | 15 35 |
| 2 9 10 | '5 | 1 16 11 | 15 93 | 2 3 1 | '5 | 1 14 6 | 14 89 |
| 1 19 4 | 1776 | 1 10 – | 12 94 | 2 – – | 1786 | 1 12 9 | 14 12 |
| 2 6 11 | '7 | 1 11 – | 13 38 | 2 2 5 | '7 | 1 12 11 | 14 18 |
| 2 3 3 | '8 | 1 14 1 | 14 70 | 2 6 4 | '8 | 1 17 4 | 16 12 |
| 1 14 8 | '9 | 1 11 7 | 13 61 | 2 12 9 | '9 | 2 10 10 | 21 90 |
| 1 16 9 | 1780 | 1 9 3 | 12 62 | 2 14 9 | 1790 | 2 5 2 | 19 48 |
| 2 5 10 | | 1 14 7 | 14 91 | 2 8 – | | 1 17 1 | 15 99 |

(S.) *Prices of Wheat in England and France*, 1771–1855 — continued.

| 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|---|
| ENGLAND. Official Statement. Ann. Ave. per Impl. Qtr. | Year. | WHOLE OF FRANCE. Official Statement. Equivalent English Price per Impl. Qtr. | Price per Hectolitre. | ENGLAND. Official Statement. Ann. Ave. per Impl. Qtr. | Year. | WHOLE OF FRANCE. Official Statement. Equivalent English Price per Impl. Qtr. | Price per Hectolitre. |
| £ s. d. | | £ s. d. | *Francs.* | £ s. d. | | £ s. d. | *Francs.* |
| 2 8 7 | 1791 | – | – | 4 15 3 | 1811 | 3 – 7 | 26 13 |
| 2 3 – | '2 | – | – | 6 6 6 | '12 | 3 19 8 | 34 34 |
| 2 9 3 | '3 | – | – | 5 9 9 | '13 | 2 12 3 | 22 51 |
| 2 12 3 | '4 | – | – | 3 14 4 | '14 | 2 1 1 | 17 73 |
| 3 15 2 | '5 | – | – | 3 5 7 | '15 | 2 5 4 | 19 53 |
| 3 18 7 | 1796 | – | – | 3 18 6 | 1816 | 3 5 8 | 28 31 |
| 2 13 9 | '7 | 2 5 2 | 19 48 | 4 16 11 | '17 | 4 3 11 | 36 16 |
| 2 11 10 | '8 | 1 19 7 | 17 07 | 4 6 3 | '18 | 2 17 2 | 24 65 |
| 3 9 – | '9 | 1 17 7 | 16 20 | 3 14 6 | '19 | 2 2 9 | 18 42 |
| 5 13 10 | 1800 | 2 7 2 | 20 34 | 3 7 10 | 1820 | 2 4 4 | 19 13 |
| 3 3 6 | | 2 2 4 | 18 27 | 4 7 6 | | 2 17 4 | 24 69 |
| 5 19 6 | 1801 | 2 15 2 | 22 40 | 2 16 1 | 1821 | 2 1 3 | 17 79 |
| 3 9 10 | '2 | 2 16 5 | 24 32 | 2 4 7 | '2 | 1 15 11 | 15 49 |
| 2 18 10 | '3 | 2 16 11 | 24 55 | 2 13 4 | '3 | 2 – 8 | 17 52 |
| 3 2 3 | '4 | 2 4 6 | 19 19 | 3 3 11 | '4 | 1 17 7 | 16 22 |
| 4 9 9 | '5 | 2 4 2 | 19 04 | 3 8 6 | '5 | 1 16 6 | 15 74 |
| 3 19 1 | 1806 | 2 4 10 | 19 33 | 2 18 8 | 1826 | 1 16 9 | 15 85 |
| 3 15 4 | '7 | 2 3 10 | 18 88 | 2 18 6 | '7 | 2 2 3 | 18 21 |
| 4 1 4 | '8 | 1 18 4 | 16 54 | 3 – 5 | '8 | 2 11 1 | 22 03 |
| 4 17 4 | '9 | 1 14 6 | 14 86 | 3 6 3 | '9 | 2 12 5 | 22 59 |
| 5 6 5 | 1810 | 2 5 6 | 19 61 | 3 4 3 | 1830 | 2 11 11 | 22 39 |
| 4 3 11 | | 2 6 5 | 19 87 | 2 19 5 | | 2 2 7 | 18 38 |

During the years 1791–96, the markets for corn in France were so interfered with by the Revolution, and the operation of the *Maximum*, as to preclude the possibility of any quotation of real prices.

(S.) *Prices of Wheat in England and France*, 1771–1855 — continued.

| 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|---|
| ENGLAND. Official Statement. Ann. Ave. per Impl. Qtr. | Year. | WHOLE OF FRANCE. Official Statement. Equivalent English Price per Impl. Qtr. | Price per Hectolitre. | ENGLAND. Official Statement. Ann. Ave. per Impl. Qtr. | Year. | WHOLE OF FRANCE. Official Statement. Equivalent English Price per Impl. Qtr. | Price per Hectolitre. |
| £ s. d. | | £ s. d. | *Francs.* | £ s. d. | | £ s. d. | *Francs.* |
| 3 6 4 | 1831 | 2 11 3 | 22 10 | 2 14 8 | 1846 | 2 15 9 | 24 05 |
| 2 18 8 | '2 | 2 10 8 | 21 85 | 3 9 9 | '7 | 3 7 4 | 29 01 |
| 2 12 11 | '3 | 1 18 6 | 16 62 | 2 10 6 | '8 | 1 18 7 | 16 65 |
| 2 6 2 | '4 | 1 15 4 | 15 25 | 2 4 3 | '9 | 1 15 7 | 15 35 |
| 1 19 4 | '5 | 1 15 4 | 15 25 | 2 – 3 | 1850 | 1 13 2 | 14 30 |
| 2 8 6 | 1836 | 2 – 2 | 17 32 | 2 13 4 | | 2 5 9 | 19 74 |
| 2 15 10 | '7 | 2 3 – | 18 53 | | | | |
| 3 4 7 | '8 | 2 5 3 | 19 51 | 1 18 6 | 1851 | 1 14 8 | 14 95 |
| 3 10 8 | '9 | 2 11 4 | 22 14 | 2 – 9 | '2 | 2 1 4 | 17 83 |
| 3 6 4 | 1840 | 2 10 8 | 21 84 | 2 13 3 | '3 | 2 13 9 | 23 16 |
| 2 16 10 | | 2 4 2 | 19 04 | 3 12 5 | '4 | 3 6 7 | 29 11 |
| | | | | 3 14 9 | '5 | 3 8 – | 29 54 |
| 3 4 4 | 1841 | 2 3 – | 18 54 | 2 16 – | | 2 12 10 | 22 92 |
| 2 17 3 | '2 | 2 5 4 | 19 55 | | | | |
| 2 10 1 | '3 | 2 7 5 | 20 46 | | | | |
| 2 11 3 | '4 | 2 5 10 | 19 75 | | | | |
| 2 10 10 | 1845 | 2 5 10 | 19 75 | | | | |

I now conclude this somewhat formidable array of figures. I am led to believe, however, that they present a mass of evidence of the most important and interesting character, at least in a form more convenient than can be found elsewhere.

# APPENDIX III.

## On the Necessity of employing the average Prices of a long Term of Years, in order to determine an Average of Wheat free from the undue Effects of Irregularities of Seasons.

In a note at page 84. of the First Volume of this Work, I had expressed an opinion that a period of not less than One Hundred Years was requisite to reduce to a fair average the Inequalities of the Seasons in their influence on the productiveness of the Harvests.

M. Michel Chevalier, in his very valuable Treatise "de la Monnaie"*, observes (p. 96.), with reference to this opinion of mine, "I think that Mr. Tooke exaggerates; but, at the same "time, intervals of ten to fifteen years, such as are often taken, "would be rather too short."

The opinion which this eminent authority calls in question, as being exaggerated, has been formed upon two grounds, the one of fact, the other of inference:—

1. The fact I believe to be sustainable, upon incontrovertible evidence, that there was a very great preponderance of good or productive seasons, and a striking exemption from bad or unpropitious seasons, and especially an exemption from very severe winters, which are usually the precursors of scarcity, in the interval of Fifty years, from 1716 to 1765, as compared with either the Fifty years preceding 1716, or the Fifty years succeeding to 1765.

2. The circumstance that the price of Wheat in the period between 1716 and 1765 was considerably lower than in the Fifty years preceding 1716, or in the Fifty years following 1765, forms a strong ground of inference *primâ facie* in corroboration of the distinct evidence of facts leading to the same conclusion.

* De la Monnaie: Cours d'Economie Politique. Paris 1850.

The comparison of prices should include only the Forty years following 1765, because so many extraneous causes, such as the violently anti-commercial character which the war assumed, and the great difference between Bank of England paper and gold which occurred in the period between 1805 and 1815, would render a reference to the price of wheat in those ten years inapplicable to the purpose for which the comparison is instituted. But perhaps it would be more conducive to a correct view, if the comparison were confined to the Thirty-four years ending in 1800, down to which time no material obstruction to importation from abroad had taken place; and no important difference had occurred between Bank of England notes and gold.

The importance of the point in my mind is this:—

If it be admitted, as is incontestably proved by evidence of facts, that there has been a marked difference in the proportion of good and bad crops in one series of Fifty years, compared with an equal series of years preceding or succeeding, it follows that I am borne out, not only in the observation to which M. Chevalier objects as being an exaggeration, viz. that the inequalities of the seasons in their influence on the productiveness of the Wheat Crops require, for a reduction to a fair average, a period of not less than One Hundred years; but also, further, in the conclusion which I arrived at on a review of the prices of Wheat and attendant circumstances in the latter third of last Century, as compared with the first Sixty-five years of it, namely,—that the preponderance of bad seasons in the latter third of that Century went a great way in accounting for the higher prices of Wheat in the period 1766—1800 as compared with the period 1701–65.

And I am not sure that I might not be justified in extending this view to a comparison of the price of Wheat on the average of each of the Seventeenth and Eighteenth Centuries.

In the First Volume of this Work (i. 83.) a statement is given, on the authority of Arthur Young, of the average prices of the Winchester Quarter in the Two Centuries, which stand thus:—

| | £ | s. | d. |
|---|---|---|---|
| 1600–99 - - - | 1 | 18 | 2 |
| 1700–99 - - - | 1 | 18 | 7 |

The average from 1701 to 1766 was 1*l.* 12*s.* 1*d.*, which is 16 per cent. below the price of the whole of the preceding, or

seventeenth Century; and it required the much higher prices of the last thirty-four years, viz. 1766 to 1800, to bring the average for the eighteenth Century up to an equality with the average for the seventeenth Century.

M. Chevalier not only demurs to the opinion of so great an influence as I have ascribed to the seasons in causing the high prices in the latter division of the eighteenth Century, but endeavours to account for the greater part, if not for the whole, of the advance in the price of Wheat in that period by the hypothesis of a diminished value of Silver; in other words, he maintains that it was not the value of Wheat that had risen, but the value of Silver that had fallen in the degree indicated by the difference in the price of Wheat in the two periods. And dating the rise in the price of Wheat decennially from 1745–55 to 1785–95, he comes to the following conclusion:—

"From a view of the whole of the facts that are presented "by the history of the Prices of Corn, starting from the middle "of the Eighteenth Century, we are warranted in coming to the "conclusion that, from this epoch to the commencement of the "present Century, the value of Silver relatively to Wheat has "fallen very considerably. We may reckon that it has fallen "by one half."—*La Monnaie*, p. 216.

Without asserting, in distinct terms, that the whole of this difference is caused by an alteration in the value of Silver, or that something may not be allowed for difference of harvests and other circumstances, such as the increase of population, which might account for some part of the rise in the price of Wheat, especially in England, where the limited surface of land rendered necessary a resort to the cultivation of inferior soils;—the hypothesis goes nearly, if not quite, to the extent of ascribing the whole of that difference to a fall in the value of Silver; a fall supposed to be fully accounted for by a diminished cost of production in the Mexican Mines. Now, the cost of production is an unappreciable element, and includes the contingency of the discovery of new and more fertile mines, or of more abundant deposits in the existing ones. The influence of any difference in the cost of production in this sense can be only matter of inference from a view to the quantity produced. M. Chevalier gives (Section v. Chap. III.) a series of decennial returns of the produce of Silver of the Mexican Mines from 1690 to 1809. But when the figures are carefully examined, they scarcely support the conclusion he draws from them.

There is no great increase of produce till after 1780, and nothing like a doubling of the produce till after 1790. Moreover, the increase in the produce of the Mexican Silver Mines between 1700 and 1750, was quite as marked as between 1750 and 1800. M. Chevalier gives the produce in 1700 as 5,175,000 piastres, and in 1750 as 11,185,000 piastres, or more than double. He gives also the produce in 1760 as 12,574,000 piastres, and in 1800 as 22,320,000 piastres, or considerably short of double.

If, therefore, the facts as regards Produce of the period 1750—1800 justify the inference of a *fall* in the Value of Silver, and therefore a rise in the price of Corn, the same class of facts as regards the period 1700—1750 justify the same inference, and in a still stronger manner. But we know as a matter of certainty that the price of Corn fell considerably, and conversely that the price of Silver rose, during the fifty years 1700—1750. The argument, therefore, from the reported produce is not consistent.

But I am not prepared to admit, considering the uncertain nature of the evidence available to us as regards the production of Silver, that there are by any means the same reasons for assigning the rise or fall, during any part of the Eighteenth Century, in the Price of Corn, to a rise or fall in the value of silver rather than to the plain and obvious influence of a series of deficient seasons. Of the occurrence and effects of these Seasons we have the fullest proof, but we have no such proofs either of an increase in the quantity of silver or of a fall in the cost of its production.

# APPENDIX IV.

STATEMENTS CONNECTED WITH THE PROGRESS OF LEGISLATION ON THE SUBJECT OF CORN, 1701—1856; WITH THE PROGRESS OF INCLOSURES DURING THE SAME PERIOD; WITH THE IMPORTS OF WHEAT FROM VARIOUS COUNTRIES, 1828–55; AND WITH THE PRICES OF BUTCHER'S MEAT, 1834–56.

(1.) *Outline of the Changes which took place in the Statutes affecting the Importation and Exportation of Corn into and from the United Kingdom, during the Period* 1701—1856; *with a Notice of the Progress of Inclosures.*

I HAD prepared, with some care, a statement exhibiting the Imports and Exports of Wheat and Barley into and from the United Kingdom, during the Century and a Half from 1701 to the present time (1856); but it does not appear necessary to insert it. It may probably be made available for some other purpose.

It will be convenient, however, to preserve in this place the outline, I had prepared in connection with the Table, of the progress of legislation subsequent to the year 1701, relative to the Import and Export of Corn.

In the year 1701, the Act of Parliament in force regulating the amount of *Bounty* to be paid on the *Exportation* of certain kinds of Grain from England and Wales, was the Statute 1 William & Mary, 1688, under which a Bounty of: —

5*s.* per Quarter was paid on the Export of Wheat, when the Home Price did not exceed 48*s.*; —

3*s.* 6*d.* per Quarter on Rye, when the Price did not exceed 32*s.*; and

2*s.* 6*d.* per Quarter on Barley and Malt, when the Price did not exceed 24*s.*

In 1706, by the Act of 5 Anne, a Bounty of 2*s.* 6*d.* per Quarter was given to Oatmeal exported, when the Home Price did not exceed 15*s.*

These rates of Bounty and limits of Price continued in force till the Act of 1773 (13 Geo. III.). Under that Act the operation of the Bounty was materially curtailed by a reduction of the scale of Home Prices.

For example, the Bounty was to be: —

5*s.* per Quarter on Wheat, when the Home Price was "under 44*s.*," instead of not exceeding 48*s.*;

3*s.* per Quarter on Rye, when the Home Price was "under 28*s.*," instead of not exceeding 32*s.*;

2*s.* 6*d.* per Quarter on Barley, when the Home Price was "under 22*s.*," instead of not exceeding 24*s.*;

2*s.* per Quarter on Oats, when the Home Price was "under 14*s.*," instead of not exceeding 15*s.*

These Rates of Bounty were retained on the Statute Book in forms more or less modified till the great alteration of the Corn Laws in 1815; but the altered circumstances of the country as regards the production and consumption of Corn during the latter part of last century, rendered the Bounties on exportation practically a dead letter.

In 1701, the Act of Parliament regulating the Duties to be paid on the *Importation* of Corn into England and Wales, was the 22 Chas. II. (1670).

Under that Act the following Duties on Importation were chargeable, viz:—

16*s.* per Quarter on Wheat, when the Home Price did not exceed 53*s.* 4*d.*;

8*s.* per Quarter, when the Home Price was above 53*s.* 4*d.*, and under 80*s.*;

5*s.* 4*d.* per Quarter, when above 80*s.*;

and there were proportionate Duties on Rye, Barley, and Oats. Under the circumstances of the Corn Trade from 1701 to 1773, these Duties were prohibitory of foreign supplies.

In 1773, the Act 13 Geo. III. made a great reduction in the Duties on Importation.

For example, it fixed, —

6*d.* per Quarter on Wheat, when the Home Price was at or above 48*s.*;

3*d.* per Quarter on Rye, Peas, and Beans, when the Home Price was at or above 32*s.*;
2*d.* per Quarter on Barley, Bear, and Bigg, when the Home Price was at or above 24*s.*;
2*d.* per Quarter on Oats, when the Home Price was at or above 16*s.*;
2*d.* per Cwt. on Wheat Flour.

This Act, instead of practically excluding foreign supplies until the Home Price reached 80*s.*, as had been the law since 1670, opened all the ports when the Home Price was 48*s.*

With the Act of 1773 began the long and intricate series of statutes relating to Corn, the end of which we have seen only so recently as 1846.

The Act of 1773 made further provision for an extensive and systematic collection of returns as data for an official average price for the Kingdom; and the Act of 1781 (21 Geo. III. cap. 50.), and the Act of 1789 (29 G. III. cap. 38.) were chiefly directed to the remedying of defects which practice had made apparent in the machinery of 1773.

The general Corn Act of 1791 (31 Geo. III. cap. 30.) consolidated the previous acts; gave power to import corn under bond; and authorised the Privy Council to suspend all Corn Laws for three months in the event of adequate necessity.

The act also introduced most important changes into the policy, adopted in 1773, with reference to Duties on Importation and Exportation. Under the law of 1791, a Bounty of 5*s.* per quarter was given on the Exportation of wheat, when the Home Price was under 44*s.* When that price was at or above 46*s.*, all exportation was prohibited. As regarded Importation, the duties were fixed for Wheat at:—

24*s.* 3*d.* per Quarter, when the Home Price was under 50*s.* per Quarter;
2*s.* 6*d.* per Quarter, when the Home Price was between 50*s.* and 54*s.*
6*d.* per Quarter, when at or above 54*s.*

And there were proportionate corresponding provisions relative to Rye, Barley, and Oats.

It is not necessary to trace in any detail the numerous changes of the law between 1791 and 1815.

There were alterations in 1796, in 1797, in 1803, in 1804, in

1805, in 1806, in 1809, and in 1813; and, however much these successive statutes might differ from each other in minor details, they were all of them consistent in raising by little and little the Duties on Importation: and, in point of fact, the duty, which was 24*s.* 3*d.* upon the 50*s.* price of 1791, had been a duty of 40*s.* 9*d.* upon a 50*s.* price in 1813.

The great change of 1815 (the Act 55 Geo. III. cap. 26.) prohibited all Importation until the price exceeded 80*s.*

The next great change, that of 1828 (the Act 9 Geo. IV. cap. 60.), imposed a Duty of 36*s.* 8*d.* when the price was 50*s.*; and by four violent jumps, the Duty became 1*s.* when the price reached 73*s.*

The Act of 1842 (5 Vict. cap. 14.) imposed a Duty of 20*s.* when the price was 50*s.*; and the Duty became 7*s.* when the price reached 65*s.*

It may be necessary also to mention the special departures from the law of 1815, which took place in the years 1825, 1826, and 1827; and the occurrence of such exceptional cases is a forcible illustration of the utter uncertainty which surrounded all operations in the Corn Trade under the old system of Sliding Scales and high Duties. The cases were as follows:—

In 1825, by a special act (5 Geo. IV. cap. 64.), Wheat, the *produce of British America*, was admitted, from 22nd June, 1825, to the end of the next session of parliament, at 5*s.* per quarter. And by another special act (5 Geo. IV. cap. 65.) all other Grain warehoused before the 13th May, 1822, was liberated from 15th June to 15th August, 1825, on payment of certain reduced duties.

In 1826, a special act (7 Geo. IV. cap. 70.) made a similar liberation between 31st May and 16th August, 1826. And by an Order in Council of 1st September, 1826, the Corn Laws were suspended, as regards certain inferior kinds of Grain, till after the meeting of parliament.

In 1827, a special act made similar exemptions.

As regards *Inclosure Bills*, a great many curious and interesting details might be given, and perhaps a still greater number of curious speculations suggested.

The Committee of the Commons on "the means of promoting the Cultivation and Improvement of Waste Lands," which made three reports between the years 1795 and 1800, gave in their

Report of 1797 a very lucid summary of the progress which had been made in Inclosures up to that time; and of the best estimates, which were then prevalent, of the extent of surface still awaiting the hand of the reclaimer. The Committee reported that the first example of an Inclosure Bill of the modern type, was in 1709, and related to Ropley, in the County of Southampton. They gave a statement also for periods of Ten years of all Inclosure Bills subsequent to 1725; viz.,—

| | | | |
|---|---|---|---|
| 1726–35 | 38 acts | 1766–75 | 471 acts |
| 1736–45 | 39 „ | 1776–85 | 469 „ |
| 1746–55 | 61 „ | 1786–96 | 371 „ |
| 1756–65 | 312 „ | (70 yrs.) | 1761 „ |

They also distributed the same results into the order of reigns, and added a statement, framed after due inquiry, of the number of Acres included in the several acts.

For example :—

| Reign of | No. of Acts. | Total No. of Acres. | Average of Acres per Act. |
|---|---|---|---|
| Anne | 2 | 1,438 | 719 |
| George I. | 16 | 17,660 | 1,103 |
| „ II. | 226 | 318,778 | 1,410 |
| „ III. (to 1796) | 1,532 | 2,804,197 | 1,820 |
| | 1,776 | 2,837,873 | 1,600 |

It further appeared that two-thirds of this total enclosure of 2,837,873 acres had taken place in Nine Counties, viz.:—

| | | | |
|---|---|---|---|
| Lincoln | 415,000 acres | Northumberland | 111,000 acres |
| York | 403,000 „ | Norfolk | 100,000 „ |
| Northampton | 206,000 „ | Oxford | 100,000 „ |
| Leicester | 186,000 „ | | 1,822,000 |
| Berks | 159,000 „ | | |
| Nottingham | 142,000 „ | | |

There had been no inclosures in Devon or Cornwall, and only 33,000 acres in Wales. The Committee estimated that in England and Wales there was altogether 46,000,000 acres; and that (in 1797) 9,000,000 still remained to be enclosed.

As regards the total acreable extent of England and Wales,

the estimate of 46 Millions of acres was nearly one-fourth beyond the actual truth as since definitely ascertained. In the Census Report of 1851, the area of England and Wales and of Scotland is given as :—

| No. of Towns. | | Area in Acres of Towns and Cities. | Area in Acres of the Country surrounding Towns. |
|---|---|---|---|
| 580 | England and Wales | 1,724,406 | 35,600,509 |
| 225 | Scotland | 287,134 | 19,760,328 |
| 20 | Islands in British Seas | 13,108 | 238,892 |
| 815 | | 2,024,648 | 55,599,729 |
| | | 57,624,377 | |

In 1836, Mr. Porter estimated (*Progress*, i. 171.) that from 1801 to 1835 there had been 3,509,000 Acres brought under Cultivation by 1919 Inclosure Bills passed. From 1836 to 1854 there were 446 further Inclosures Bills. And considering the facts thus ascertained, it may be reasonably estimated, that at the end of 1854, there were at least 9,000,000 Acres of land in England and Wales under various kinds of cultivation, the whole of which has been reclaimed under Inclosure Acts passed between 1709 and 1854. It is probable, also, that these Nine Million Acres may be about *one-third* of the whole of the cultivated surface of England and Wales.

Arthur Young has referred, in numerous passages of his writings, to the stagnant condition of all agricultural enterprise and improvement during the first sixty or sixty-five years of last century. Writing in 1812, he says (*Inquiry into the Progressive Value of Money in England*, London, 1812, p. 102.), "A neighbour of mine in Suffolk, who inherited a considerable "landed property, informs me that, in various conversations "which he had between thirty and forty years ago with a rela- "tion far advanced in years, and from whom much of that pro- "perty was derived, much surprise was expressed at the rise "of rents, which then began to take place; and he was informed "that, through the long period of his relation's experience, no "rise was ever thought of, and lease after lease in long suc- "cession were signed without a word passing upon the question "of rent; that was an object considered as fixed, and grand- "father, father, and son, succeeded without a thought of any "rise. In many cases landlords were much more apprehensive

"of losing a tenant at the old rent than having the smallest "conception of raising it to a new one."

The following Table (pp. 452–3. *seq.*) is exceedingly interesting and curious, as showing the alterations which have taken place during the last twenty-six years in the Foreign Corn Trade of this country, as regards the principal countries from whence our Imports are obtained.

The following may be taken as the general results:—

(1.) During the eleven years 1828 to 1838, both inclusive, the total annual importations of Wheat, and Wheat Flour, were considerably under 1,000,000 Quarters, and of that quantity more than three-fourths were derived from Germany and the North of Europe.

(2.) During the four years 1839 to 1842, both inclusive, the importations rose to 2,500,000 Quarters annually, and a considerable part of these imports were, for the first time, obtained from France, Italy, Canada, and the United States.

(3.) During the three years 1843, 1844, and 1845, the Imports again fell to little more than 1,000,000 quarters, and three-fourths of this import were from Germany and Prussia.

(4.) During the nine years 1846 to 1854, both inclusive, the annual Imports have amounted to the enormous quantity of nearly 5,000,000 quarters, and a very considerable part of that supply has been derived from France, Italy, Turkey, Egypt and Syria, Canada, and the United States.

And in order to facilitate a reference to the general results arising out of the Table at pp. 452–3., I insert on the opposite page (451.) a Summary Statement of the Average Annual Imports during each group of years, 1828–55.

*Imports of Wheat and Wheat Flour*, 1828–55; *being a Summary of the Table over Leaf* (pp. 452–3.), *stating the Imports according to the Annual Averages of each Group of Years from* 1828–55.

| Countries. | 1828–30. | 1831–5. | 1836–40. | 1841–5. | 1846–50. | 1851–5. |
|---|---|---|---|---|---|---|
| | Qrs. | Qrs. | Qrs. | Qrs. | Qrs. | Qrs. |
| Russia - - - | 198, | 115, | 138, | 111, | 563, | 602, |
| Denmark - - | 71, | 24, | 109, | 113, | 146, | 251, |
| Prussia - - - | 374, | 113, | 526, | 652, | 567, | 702, |
| | 643, | 252, | 773, | 876, | 1,276, | 1,555, |
| Hanse Towns, &c. - | 272, | 74, | 270, | 250, | 339, | 361, |
| Holland - - | 129, | 6, | 53, | 25, | 155, | 70, |
| Belgium - - | – | – | 10, | 6, | 155, | 34, |
| | 401, | 80, | 333, | 281, | 649, | 465, |
| France - - - | 31, | 21, | 84, | 159, | 492, | 445, |
| Italy - - - | 36, | 51, | 105, | 172, | 148, | 161, |
| Turkey, Syria, and Egypt - | 2, | 1, | 12, | 26, | 205, | 670, |
| British N. America | 33, | 99, | 34, | 201, | 226, | 95, |
| United States - | 104, | 105, | 98, | 88, | 818, | 1,064, |
| All other Parts - | 105, | 86, | 57, | 76, | 297, | 251, |
| Totals - - | 1,355, | 660, | 1,496, | 1,879, | 4,111, | 4,700, |

Note.—The three figures at *Unit* end are omitted; thus 198, is 198,000.

*Imports of Wheat and Wheat Flour (stated in Imported, in the (Calendar) Years 1828 to 1855, both inclusive Years.* (Parl. Pa. 460, 50, &c.)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Years. | Russia. | Denmark. | Prussia. | Hanse Towns and Germany. | Holland. | Belgium. | France. |
| | qrs. | qrs. | qrs. | qrs. | qrs. | qrs. | qrs. |
| 1828 | 18, | 41, | 253, | 144, | 167, | – | 29, |
| '29 | 341, | 83, | 348, | 306, | 144, | – | 49, |
| '30 | 235, | 88, | 520, | 366, | 76, | – | 15, |
| | 198, | 71, | 374, | 272, | 129, | – | 31, |
| 1831 | 465, | 56, | 298, | 220, | 30, | – | 103, |
| '32 | 91, | 33, | 119, | 43, | – | – | – |
| '33 | 18, | 8, | 93, | 50, | – | – | – |
| '34 | – | 13, | 41, | 44, | – | – | – |
| '35 | – | 12, | 13, | 13, | – | – | – |
| | 115, | 24, | 113, | 74, | 6, | – | 21, |
| 1836 | 1, | 19, | 122, | 79, | 4, | – | |
| '37 | 11, | 30, | 350, | 122, | 11, | – | 1, |
| '38 | 41, | 133, | 586, | 350, | 82, | 18, | 61, |
| '39 | 372, | 208, | 767, | 428, | 117, | 24, | 311, |
| '40 | 268, | 153, | 807, | 370, | 50, | 7, | 48, |
| | 138, | 109, | 526, | 270, | 53, | 10, | 84, |
| 1841 | 99, | 238, | 890, | 660, | 102, | 27, | 194, |
| '42 | 287, | 89, | 738, | 202, | 9, | – | 516, |
| '43 | 33, | 69, | 659, | 126, | – | – | 8, |
| '44 | 104, | 94, | 551, | 109, | 11, | 1, | 45, |
| '45 | 33, | 74, | 424, | 154, | 1, | 1, | 36, |
| | 111, | 113, | 652, | 250, | 25, | 6, | 159, |
| 1846 | 204, | 61, | 360, | 126, | – | 3, | 73, |
| '47 | 850, | 73, | 493, | 155, | 11, | 27, | 179, |
| '48 | 523, | 191, | 528, | 532, | 163, | 178, | 320, |
| '49 | 599, | 243, | 618, | 499, | 308, | 866, | 742, |
| '50 | 638, | 162, | 835, | 381, | 293, | 202, | 145, |
| | 563, | 146, | 567, | 339, | 155, | 155, | 492, |
| 1851 | 699, | 168, | 696, | 264, | 66, | 69, | 1,193, |
| '52 | 733, | 219, | 452, | 179, | 125, | 26, | 459, |
| '53 | 1,071, | 295, | 1,145, | 409, | 57, | 15, | 341, |
| '54 | 507, | 252, | 675, | 494, | 33, | – | 206, |
| '55 | – | 320, | 540, | 460, | 61, | 60, | 26, |
| | 602, | 251, | 702, | 361, | 70, | 34, | 445, |

Note. — The three figures at *Unit*

*perial Quarters), distinguishing the* COUNTRIES WHENCE *clusive; with the Average Results of each period of Five*

| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|---|---|---|---|---|---|---|
| Italy. | Turkey, Syria, and Egypt. | British North America. | United States. | All other Parts. | TOTAL. | Years. |
| qrs. | qrs. | qrs. | qrs. | qrs. | qrs. | |
| 5, | – | 19, | 13, | 52, | 741, | 1828 |
| 75, | 7, | 5, | 114, | 191, | 1,663, | '29 |
| 28, | – | 76, | 184, | 73, | 1,661, | '30 |
| 36, | 2, | 33, | 104, | 105, | 1,355, | |
| 253, | 7, | 218, | 464, | 190, | 2,804, | 1831 |
| 2, | – | 103, | 89, | 17, | 447, | '32 |
| – | – | 100, | 10, | 201, | 297, | '33 |
| – | – | 56, | 10, | 12, | 176, | '34 |
| – | – | 17, | 2, | 9, | 66, | '35 |
| 51, | 1, | 99, | 105, | 86, | 660, | |
| – | – | 5, | – | 11, | 241, | 1836 |
| 4, | – | 2, | – | 28, | 559, | '37 |
| 31, | 4, | 11, | 6, | 49, | 1,372, | '38 |
| 841, | 49, | 7, | 127, | 124, | 2,875, | '39 |
| 149, | 7, | 145, | 355, | 73, | 2,432, | '40 |
| 105, | 12, | 34, | 98, | 57, | 1,496, | |
| 112, | 8, | 250, | 113, | 77, | 2,770, | 1841 |
| 608, | 53, | 188, | 125, | 230, | 3,040, | '42 |
| 5, | 15, | 113, | 26, | 16, | 1,065, | '43 |
| 80, | 45, | 228, | 86, | 25, | 1,379, | '44 |
| 57, | 7, | 229, | 93, | 33, | 1,142, | '45 |
| 172, | 26, | 201, | 88, | 76, | 1,879, | |
| 194, | 41, | 827, | 808, | 1,147, | 3,344, | 1846 |
| 65, | 266, | 898, | 1,834, | 113, | 4,464, | '47 |
| 88, | 40, | 186, | 296, | 42, | 3,082, | '48 |
| 281, | 295, | 142, | 617, | 125, | 4,835, | '49 |
| 117, | 383, | 80, | 537, | 57, | 4,830, | '50 |
| 148, | 205, | 226, | 818, | 297, | 4,111, | |
| 242, | 878, | 129, | 912, | 28, | 5,330, | 1851 |
| 65, | 533, | 110, | 1,282, | 31, | 4,164, | '52 |
| 164, | 836, | 168, | 1,582, | 152, | 6,235, | '53 |
| 106, | 584, | 51, | 1,152, | 407, | 4,473, | '54 |
| 129, | 520, | 15, | 441, | 635, | 3,207, | 55 |
| 161, | 670, | 95, | 1,064, | 251, | 4 700, | |

end are omitted: thus 18, is 18,000.

N.

(2.) *Prices of Hay, Clover, and Straw; of Beef and Mutton; and Character of Hay Harvests, 1834–56. Causes of High Price of Butcher's Meat at various periods during those twenty-three Years.*

I have been desirous to collect, in this Appendix, evidence which should justify some definite conclusions relative to the causes of the High Price of Butcher's Meat since the close of the year 1852.

It appears from the Table on the opposite page, that the Increase in the Price of Beef and Mutton has been, in general terms, about 30 per cent.; and it is probable that the most general impression entertained of the cause of that increase, would point in the direction of the New Gold.

I have been desirous, therefore, to collect such an amount of data, as would render it possible to form a clear opinion of the value of this hypothesis.

It is clear that, in the first place, our attention must be directed to the character of the Hay Harvests in this country for a series of years.

And I accordingly present, in the following Table, a statement of the Prices at Smithfield of Hay, Clover, and Straw, in April and October of each of the twenty-three years, 1834 to 1856; with collateral column of the Prices of Beef and Mutton; and with a marginal statement of the character of each year's Hay Crop.

The materials of the Table have been obtained from the Smithfield Returns in the Annual Register and in the Economist.

The prices are taken in October and April of each Hay-Harvest Year — of (say) 1st June to 1st June — in order to exhibit the effect of the Hay Crops on the prices of each season.

HAY, CLOVER, *and* STRAW, *and* BEEF *and* MUTTON. — *PRICES at* SMITHFIELD *MARKET early in April and October of each Year* 1834 *to* 1856; *with* REMARKS *on the* HAY HARVEST *of each Year.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Butcher's Meat per stone of 8 lbs. | | Seasons. | HAY &c. PER LOAD. | | | Remarks on the Hay Harvest of each Year. |
| Beef (superior). | Mutton (superior). | | Hay (superior) | Clover (superior). | Straw (superior) | |
| *d.* | *d.* | | *s.* | *s.* | *s.* | |
| 48 | 48 | 1834–5, Oct. '34 | 100 | – | 33 | 1834. Crop short. |
| „ | 58 | Apl. '35 | 102 | 110 | 45 | |
| „ | 48 | 1835–6, Oct. „ | 95 | 110 | 32 | 1835. Fair yield. |
| 54 | 64 | Apl. '36 | 86 | 100 | 36 | |
| 50 | 48 | 1836–7, Oct. „ | 85 | 115 | 40 | 1836. Indifferent crop. |
| 52 | 62 | Apl. '37 | 100 | 120 | 48 | Very cold spring. |
| 48 | 52 | 1837–8, Oct. „ | 105 | 120 | 40 | 1837. Crop very deficient. |
| 56 | 50 | Apl. '38 | 100 | 110 | 42 | Inclement spring. |
| 48 | 54 | 1838–9, Oct. „ | 115 | 120 | 38 | 1838. Very deficient. |
| 52 | 58 | Apl. '39 | 110 | 130 | 44 | Season inclement. |
| „ | „ | 1839–40, Oct. „ | 90 | 120 | 38 | 1839. Indifferent crop. |
| „ | 56 | Apl. '40 | 88 | 112 | 40 | |
| 54 | 60 | 1840–1, Oct. „ | 112 | 120 | „ | 1840. Crop deficient. |
| „ | 62 | Apl. '41 | 102 | „ | 44 | |
| „ | 60 | 1841–2, Oct. „ | 93 | „ | 40 | 1841. Indifferent crop. |
| 52 | 54 | Apl. '42 | 92 | „ | 42 | Cold spring. |
| „ | „ | 1842–3, Oct. „ | 90 | 110 | 40 | 1842. do. |
| 40 | 44 | Apl. '43 | „ | „ | 54 | |
| 46 | 52 | 1843–4, Oct. „ | 83 | 102 | 35 | 1843. Fair crop. |
| „ | „ | Apl. '44 | 76 | 105 | 30 | |
| 48 | 48 | 1844–5, Oct. „ | 108 | 126 | 32 | 1844. Crop very deficient. |
| „ | 50 | Apl. '45 | 115 | 120 | 42 | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Butcher's Meat per stone of 8 lbs. | | Seasons. | Hay &c. per load. | | | Remarks on the Hay Harvest of each Year. |
| Beef (superior). | Mutton (superior). | | Hay (superior). | Clover (superior.) | Straw (superior.) | |
| *d.* | *d.* | | *s.* | *s.* | *s.* | |
| 50 | 60 | 1845–6, Oct. „ | 108. | 126 | 40 | 1845. Good crop. |
| 42 | 54 | Apl. '46 | 88 | 116 | 36 | |
| 50 | 64 | 1846–7, Oct. „ | 75 | 86 | 31 | 1846. Fair. |
| 52 | „ | Apl. '47 | 76 | 98 | 36 | |
| 58 | 56 | 1847–8, Oct. „ | 72 | 98 | 33 | 1847. Good crop. |
| 52 | 64 | Apl. '48 | 80 | 100 | 30 | |
| 48 | 58 | 1848–9, Oct. „ | 74 | 107 | „ | 1848. do. |
| 44 | 52 | Apl. '49 | 80 | 100 | 32 | |
| 48 | 50 | 1849–50, Oct. „ | 72 | 92 | 30 | 1849. Abundant crop. |
| 42 | 54 | Apl. '50 | 70 | 90 | 28 | |
| 48 | 48 | 1850–1, Oct. „ | 76 | 87 | „ | 1850. Indifferent crop. |
| „ | 56 | Apl. '51 | 82 | 84 | 29 | |
| „ | 50 | 1851–2, Oct. „ | 75 | 88 | 28 | 1851. Crop indifferent. |
| 40 | „ | Apl. '52 | 76 | 85 | „ | Badly secured. |
| 48 | 52 | 1852–3, Oct. „ | 75 | 100 | 39 | 1852. Produce short. |
| 52 | 64 | Apl. '53 | 92 | 105 | 32 | Not well secured. |
| „ | 60 | 1853–4, Oct. „ | 115 | 126 | 40 | 1853. Crop short. |
| „ | „ | Apl. '54 | 105 | 120 | 42 | Not well secured. |
| 60 | 58 | 1844–5, Oct. „ | 92 | „ | 34 | 1854. Crop deficient. |
| 56 | 56 | Apl. '55 | „ | 115 | 28 | |
| 56 | 58 | 1855–6, Oct. „ | 120 | 135 | „ | 1855. Very deficient. |
| 54 | 64 | Apl. '56 | 115 | 130 | 29 | |
| 54 | 60 | 1856–7, Sept. „ | 112 | 127 | 30 | 1856. Large crop and generally well secured. |
| | | Nov. „ | 112 | 120 | 30 | |

The frequent occurrence of cycles of Bad Hay Crops, as exhibited in this Table, is remarkable.

The three seasons 1836, '37, and '38, were not only deficient

as regards the yield, but they were extremely inclement; and that inclemency had probably a great share in producing the disastrous distemper among Cattle, which prevailed from 1838 to 1841. The next four Crops, 1839, '40, '41, and '42, were deficient. The year 1843 was favourable. But 1844 was seriously insufficient; and the extreme difficulty of finding food for Cattle in that year is, I believe, generally regarded as a principal cause of the subsequent scarcity of stock.

After 1844 there was a series of Five good Hay Crops, namely, 1845, '46, '47, '48, and '49. But those five good years were succeeded by six bad years, namely, 1850, '51, '52, '53, '54, and '55; and 1856 has been the only abundant Hay Harvest since 1849. The result is, therefore, that out of the twenty-three years, 1834–56, no less than *fourteen* have been years of seriously deficient Grass Produce.

I have already mentioned the destructive murrain of 1838–41. In 1842 and 1843 there was a material recovery in the condition of the Stock of the country. But in 1844 occurred a relapse, which continued to the end of 1847. The five years, 1848 to 1852, were a period of low prices of Butcher's meat, and those years were, generally, years of Cheap Hay.

About 1851 there again appeared, not only in this country, but in most parts of Europe, an exceedingly destructive form of chest disease among Horned Cattle, which became known as Pleura Pneumonia. There was also another form of disease, which destroyed the hoofs of the animals. These distempers have prevailed more or less during the last five years, and they have committed great ravages. The effects of the distempers, added to the dearness of food for cattle, have, beyond all question, produced an important rise in the market price.

There have also been at work other causes, all tending to produce similar effects.

In Ireland the Famine of 1846 caused an immense destruction of all kinds of Stock; and during the succeeding four or five years there was a large absorption of cattle from England, for breeding purposes. It is probable that that absorption is now at an end, and that Ireland will furnish year by year augmented supplies to Great Britain.

It is pretty certain, also, that during the years of low prices of Corn in this country, 1848 to 1852, the more needy farmers were compelled to sell off an undue number of their Cattle; and, of course, this excessive reduction of Stock has been powerfully felt in the succeeding years.

The full employment of the Working Classes since 1851 has led, assuredly, to a larger consumption of Butcher's Meat. But that additional consumption, taken alone, would not adequately explain the sustained higher prices of the last three years.

When, however, we combine the five causes of (1.) Deficient Hay Crops; (2.) A Destructive Murrain; (3.) Absorption in Ireland; (4.) Excessive reductions of Stock in the period 1848–52; and (5.) Extra consumption of Butcher's meat by the Working Classes; we seem to have before us statements which account for the phenomena,—more especially when we bear in mind that the prices of Beef and Mutton in 1855–6, are not higher than they were in 1839–40.

In the Table already given, I have furnished the Prices at Smithfield: in the following Table I give a further statement of Prices drawn from separate official sources, and including the prices paid by St. Thomas's Hospital,—probably one of the best sources of such evidence.

The Yearly Importations of Cattle and Sheep are also given for the years subsequent to 1842, when the prohibition was removed; but the figures forcibly suggest the utterly insignificant character of the foreign supplies of animals.

The facts shown in the opposite Table relative to the price of Butcher's Meat may be summed up as follows:—

In the year 1841, the prices were the highest. There was then a gradual fall to 1844, and in that year the prices had fallen to a point about 20 or 25 per cent. below the prices of 1841. The quotations continued to rise through 1845 and 1846, and in 1847 again attained an elevation quite as high as six years previously.

A reaction then took place, and during the years 1849, '50, '51, and the early part of '52, the prices of Butcher's meat were 25 to 30 per cent. lower than in 1840 and 1841, or than in 1847.

During the year 1853 there was a rapid advance, and that advance was fully maintained during the two following years, 1854 and '55. As regards Beef and Mutton, the comparison between the average prices of the two groups of three years each, viz., 1849–51, and 1853–5 was as follows:—

| | | s. | d. | | s. | d. |
|---|---|---|---|---|---|---|
| 1849–50–51 - - | Beef | 3 | 3 | Mutton | 3 | 9 |
| 1853–54–55 - - | „ | 4 | 2 | „ | 4 | 7 |
| Increase - - | | 30 p. ct. | | | 25 p. ct. | |

PRICES OF BUTCHER'S MEAT.—*STATEMENT of PRICES of BEEF and MUTTON paid at St. Thomas's Hospital at Lady Day and Michaelmas;—of the AVERAGE PRICES in the months of April and September, of certain descriptions of FAT ANIMALS in the LONDON MARKETS;—and of the IMPORTS of CATTLE and SHEEP into the UNITED KINGDOM, subsequent to the removal of the prohibition in 1842.—The upper line for each year is the quotation for Lady Day or April.* (Parl. Papers, 460/50 and 577/51, and 468/54.)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| St. Thomas's Hospital. | | | London Markets. | | | Cattle and Sheep Imported into the United Kingdom. | |
| Beef. | Mutton. | Year. | Beasts, 3rd Class, large, prime. | Sheep, 3rd Class, long coarse woolled. | Hogs, large. | Cattle (Oxen, Bulls, Cows, Calves). | Sheep and Lambs. |
| per 8 lbs. | per 8 lbs. | | per 8 lbs. | per 8 lbs. | per 8 lbs. | No. | No. |
| *s. d.* | *s. d.* | | *s. d.* | *s. d.* | *s. d.* | | |
| 3 4 | 3 8 | 1840 | 3 10 | 4 – | 4 3 | – | – |
| 3 8 | 4 – | | 3 9 | 4 7 | 4 3 | | |
| 4 – | 4 4 | '41 | 4 6½ | 4 5 | 4 4 | – | – |
| 3 8 | 4 – | | 4 3 | 4 6 | 4 7 | | |
| 3 4 | 3 8 | '42 | 3 11½ | 4 3 | 4 7 | 4,264 | 644 |
| 3 – | 3 4 | | 3 11½ | 4 2 | 4 3 | | |
| 2 8 | 3 – | '43 | 3 8 | 3 7 | 3 5 | 1,521 | 217 |
| 3 – | 3 4 | | 3 6 | 3 10 | 3 8½ | | |
| 2 8 | 3 – | '44 | 3 5 | 3 7½ | 3 5 | 4,889 | 2,817 |
| 2 8 | 3 4 | | 3 5 | 3 7½ | 3 3 | | |
| 2 8 | 3 4 | '45 | 3 11 | 3 10½ | 3 4 | 16,833 | 15,957 |
| 3 4 | 4 – | | 3 5 | 4 4½ | 3 6 | | |
| 3 8 | 4 4 | '46 | 3 10 | 4 8 | – – | 45,043 | 94,624 |
| 3 4 | 4 – | | 3 7 | 4 7 | 4 2 | | |
| 3 8 | 4 4 | '47 | 4 – | 4 9 | 4 4 | 75,717 | 142,720 |
| 3 10 | 4 6 | | 4 2 | 4 8 | 4 4 | | |
| 4 – | 4 8 | '48 | 3 11 | 4 10 | 4 3 | 62,738 | 130,583 |
| 3 4 | 4 – | | 3 6 | 4 10 | 4 2 | | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| St. Thomas's Hospital. | | Year. | London Markets. | | | Cattle and Sheep Imported into the United Kingdom. | |
| Beef. | Mutton. | | Beasts, 3rd Class, large, prime. | Sheep, 3rd Class, long coarse woolled. | Hogs, large. | Cattle (Oxen, Bulls, Cows, Calves). | Sheep and Lambs. |
| per 8 lbs. | per 8 lbs. | | per 8 lbs. | per 8 lbs. | per 8 lbs. | No. | No. |
| s. d. | s. d. | | s. d. | s. d. | s. d. | | |
| 3 – | 3 8 | '49 | 3 1 | 3 8 | 3 6 | 53,449 | 129,266 |
| 3 – | 3 8 | | 3 6 | 3 8 | 3 – | | |
| 2 8 | 3 4 | '50 | 3 1 | 3 10 | 3 3 | 66,462 | 143,498 |
| 2 8 | 3 4 | | 3 4 | 3 8 | 3 4 | | |
| 2 6 | 3 4 | '51 | 3 4 | 4 – | 3 4 | 86,520 | 201,859 |
| 2 8 | 3 8 | | 3 – | 3 8 | 3 2 | | |
| 2 8 | 3 6 | '52 | 3 4 | 4 – | 3 4 | 93,061 | 230,037 |
| 3 – | 3 8 | | 3 4 | 4 6 | 3 4 | | |
| 3 4 | 4 2 | '53 | 4 2 | 5 – | 3 6 | 125,253 | 259,420 |
| 3 6 | 4 4 | | 3 10 | 4 8 | 3 8 | | |
| – – | – – | '54 | 4 – | 4 6 | 3 6 | 114,200 | 183,400 |
| – – | – – | | 4 4 | 4 4 | 3 6 | | |
| – – | – – | '55 | 4 4 | 4 6 | 3 6 | 97,400 | 162,000 |
| – – | – – | | 4 4 | 4 6 | 3 10 | | |

N.

# APPENDIX V.

## PRICES, IMPORTS, AND SALES OF CORN DURING THE NINE YEARS 1847—1855.

THE following Six Tables (A. to F. both inclusive) will, it is believed, bring down, in a tolerably complete form, the information contained in the former volumes relative to the Prices and Sales of Corn.

As already more than once intimated in the course of these Volumes, a statement will be found in the early part of the Fourth Volume (iv. 6.), of the reasons which led to the adoption, in that volume, of the plan of reckoning the *Harvest Year*, as regards the Sales and Prices of *Home Grown* Corn, from 1st September to 1st September;—and as regards *Imports of Foreign Corn*, from 5th August to 5th August; and in order to preserve a uniformity of statement, the same plan has been followed in the Present Volumes.

At the same time, I confess that further reflection has induced me to think that the most convenient and accurate mode of reckoning the Harvest Year in this country, for all purposes, would be from *1st September to 1st September.*

In Tables C. and D. (pp. 461–7. *seq.*), very full details are given of the Importations of *Wheat* during the Harvest Years 1845–6 to 1854–5; and, as already pointed out in several places of this Work, the general argument, as regards the Importations of Corn, may, for all ordinary purposes, be limited to the leading article of Wheat.

It will be convenient, however, to state here, in a summary form, what have been the Total Importations of *Grain of all kinds* since 1840; viz.

*IMPORTATIONS into the UNITED KINGDOM of GRAIN and MEAL of all kinds, expressed in IMPERIAL QUARTERS, during the Calendar Years* 1840—1854, *both inclusive.*

| Year ended 31st Dec. | Wheat and Wheatmeal. | Other kinds of Grain and Meal. | Year ended 31st Dec. | Wheat and Wheatmeal. | Other kinds of Grain and Meal. |
|---|---|---|---|---|---|
| | *Qrs.* | *Qrs.* | | *Qrs.* | *Qrs.* |
| 1840 | 2,43 | 1,48 | 1843 | 1,06 | 37 |
| '41 | 2,77 | 85 | '44 | 1,38 | 1,65 |
| '42 | 3,04 | 66 | '45 | 1,14 | 1,29 |

| Year ended 31st Dec. | Wheat. Qrs. | Other kinds of Grain. Qrs. | Year ended 31st Dec. | Wheat. Qrs. | Other kinds of Grain. Qrs. |
|---|---|---|---|---|---|
| 1846 | 2,34 | 2,41 | 1851 | 5,33 | 4,29 |
| '47 | 4,46 | 7,45 | '52 | 4,16 | 3,58 |
| '48 | 3,08 | 4,44 | '53 | 6,23 | 3,93 |
| '49 | 4,80 | 5,86 | '54 | 4,47 | 3,43 |
| '50 | 4,83 | 4,19 | '55 | 3,21 | 3,10 |

NOTE.—The four figures at the unit end are omitted: thus 2,43 is 2,430,000.

In 1847 the large importations of Indian Corn into Ireland mainly contributed to the enormous result of 7,450,000 quarters.

(A.) WHEAT, SEPT. 1845—AUG. 1856.—*WEEKLY AVERAGE PRICES (per Imperial Quarter) in ENGLAND and WALES, as computed by the INSPECTOR of CORN RETURNS, and published in the LONDON GAZETTE, arranged in HARVEST YEARS (September to August, both inclusive).*

| HARVEST YEARS. | FIRST QUARTER—SEPTEMBER, OCTOBER, NOVEMBER. | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1845–6. | 1846–7. | 1847–8. | 1848–9. | 1849-50 | 1850–1. | 1851–2. | 1852–3. | 1853–4. | 1854–5. | 1855–6. |
| | ('45.) | ('46.) | ('47.) | ('48.) | ('49.) | ('50.) | ('51.) | ('52.) | ('53.) | ('54.) | ('55.) |
| | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. |
| Sept. - | 55.10 | **49** - | 51 . 4 | **56.10** | **44.6** | 43 . 2 | 38 . 9 | 44.9 | **54.9** | 62.3 | 72 . 7 |
| „ | 54 . 1 | 50 - | 49 . 6 | 53 . 8 | 43 - | 42.10 | . 5 | 42.5 | 56.7 | 59.4 | 74.10 |
| „ | 52 . 6 | 51 . 3 | 53 . 6 | 52 . 4 | 41.9 | . 7 | 37 . 8 | 40.5 | . 7 | **52.5** | 76 . 9 |
| „ | 53 . 2 | 53 . 1 | **56.9** | . 9 | 42.4 | . 8 | 36 . 7 | 39.6 | 59.5 | 53.2 | 77 . 8 |
| „ | 56 - | 54 . - | 54 . 4 | . 5 | . 4 | . 2 | 35 . 7 | 38.9 | 64 - | 55.9 | 77 . 3 |
| Octr. - | 57 . 9 | 56.10 | 54 . 3 | 51.11 | 41.4 | 42 . 5 | **35.6** | 38.5 | 68.4 | 56.7 | 76 . 6 |
| „ | 58 . 2 | 59.10 | 55 . 2 | . 7 | . 1 | 39.10 | 36 - | **37.10** | . 11 | 57 - | . 7 |
| „ | 59 . 5 | 60.10 | 53 . 6 | . — | . 7 | . 9 | . 9 | 38,8 | 69.1 | 57.6 | . 10 |
| „ | **60.1** | 61 . 9 | 52 . 4 | . 2 | . 6 | 40 . 2 | . 6 | 39.2 | 71.9 | 60.7 | 78 . 4 |
| Novr. - | 59 . 7 | 62 . 3 | 53 . 8 | 52 - | 40.7 | 40 . 5 | 36 . 1 | 39.5 | 73.7 | 68 - | 80 . 3 |
| „ | 58 . 6 | 61 . 5 | 54 . 3 | . 3 | . 6 | 39.11 | . 4 | . 11 | 72.7 | 72.1 | . 5 |
| „ | 57.11 | 59 . 8 | 52.11 | 51 . 6 | . 4 | . 11 | . 9 | 40 - | . — | . 11 | . 10 |
| „ | 58 . 2 | 59 . 8 | 52 . 1 | 50 . 3 | . 2 | 40 . 3 | 37 . 2 | . 5 | . 7 | 74.7 | 82 . 1 |
| Average 13 weeks. | 57 - | 52 . 3 | 53 . 4 | 52 . 3 | 42 - | 41 . 2 | 36 . 9 | 37 - | 66.2 | 61.9 | 77 . 9 |

| Harvest Years. | Second Quarter — December, January, February. | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1845–6. | 1846–7. | 1847–8. | 1848–9. | 1849–50 | 1850–1. | 1851–2. | 1852–3. | 1853–4. | 1854–5. | 1855–6. |
| | ('45.) | ('46.) | ('47.) | ('48.) | ('49.) | ('50.) | ('51.) | ('52.) | ('53.) | ('54.) | ('55.) |
| | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. |
| Decr. - | 59 - | 59 . 7 | 51.11 | 48 . 9 | 39.4 | 40 . 2 | 37.6 | 41 . 2 | 71.11 | 74 . 4 | **83.1** |
| „ | . 4 | 60 . 3 | 52 . 2 | 47 . 6 | 38.9 | 39 . 9 | . 5 | 42 . 1 | 70 . 9 | 73 - | 81 . 6 |
| „ | 57.11 | 59.10 | 53 - | . 6 | . 9 | . 5 | . 7 | 43.10 | . – | 72 . 3 | 79.11 |
| „ | 55 . 4 | 61 . 6 | . 11 | 46.10 | 39.4 | 38.10 | . 2 | 45.11 | 73 - | . 4 | 78 . 9 |
| „ | 55 . 1 | 66.10 | . 10 | 45.10 | 40 - | . 3 | . 2 | 46 . 7 | 76 . 2 | 73 . 9 | 77 . 2 |
| | ('46.) | ('47.) | ('48.) | ('49.) | ('50.) | ('51.) | ('52.) | ('53.) | ('54.) | ('55.) | ('56.) |
| Jany. - | 56 . 3 | 70 . 3 | 53 . 5 | 45 . 4 | 41.1 | 38 . 1 | 37.4 | 46 . | 78.10 | 74 . 3 | 76.10 |
| „ | . 2 | 73 . 5 | . 1 | . 4 | . - | . – | 38.3 | 45.10 | 82 . 4 | 73 . 9 | . 2 |
| „ | 55 . 7 | 74.11 | 52 . - | . 3 | 40.1 | . – | 39.3 | . 8 | **83.3** | 72 . 2 | . 1 |
| „ | 54 . 8 | 73.10 | 51 . 2 | . 1 | 39.4 | 37.10 | . 10 | 46 - | 82 . 8 | 69 . 9 | . 11 |
| Feby. - | 54 . 3 | 71 . 7 | 51 - | 45.11 | 38.6 | 38 . 1 | 41.2 | 46 . 1 | 82 . 4 | 70.11 | 75.10 |
| „ | . 9 | . 7 | 50.11 | 47 - | 37.9 | 37 . 8 | 42.8 | 45 . 2 | 80 . 1 | 71 . 1 | 73 . 8 |
| „ | 55 - | 74 . 7 | . 2 | 46 . 4 | . 11 | . 2 | . 9 | 44 . 6 | 82 . 4 | 70 . 1 | 71 . 7 |
| „ | 54 . 6 | . 4 | 49.11 | 45 . 6 | 38.6 | 36.11 | . 3 | 45 . 2 | 78 . 3 | 69 . 1 | 69 . 2 |
| Average 13 weeks. | 55.11 | 68.10 | 52 . 5 | 46 . 3 | 39 . 3 | 38 . 3 | 39 . 3 | 44.11 | 77.10 | 72 - | 76 . 8 |

| | Third Quarter — March, April, May. | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | ('46.) | ('47.) | ('48.) | ('49.) | ('50.) | ('51.) | ('52.) | ('53.) | ('54.) | ('55.) | ('56.) |
| Mch. - | 54.10 | 74 . 2 | 50 . 2 | 45 . 1 | 38 . 6 | **36.9** | 42 . 7 | 45 . 9 | 79 . 6 | 68 . **6** | 69 . 7 |
| „ | . 3 | 75.10 | . 4 | . 4 | . 1 | 37 . 2 | . 10 | . 8 | . 2 | . - | . 11 |
| „ | 55 . 1 | 77 - | 51 . 4 | 44 . 9 | 37 . 8 | . 5 | . 8 | . 5 | 78 . 4 | 66.11 | 67.11 |
| „ | . 5 | . 1 | . 10 | . 1 | . 9 | 38 . 1 | . 2 | 44 . 9 | 75 - | . 6 | . 5 |
| „ | . 9 | 74 . 5 | . 6 | . 5 | 38 . 1 | . 4 | 41 . 7 | . 4 | 78 . 5 | 68 . 7 | 69.10 |
| Apl. - | 56 - | 74 . 1 | 49 . 7 | 44 . 3 | 38 . 5 | 39 - | 41 . 4 | 44 . 9 | 78 . 3 | 68 . 5 | 69 . 5 |
| „ | 55.10 | 75.10 | 48.10 | . 5 | 37.10 | . 5 | 40.10 | . 10 | 79.11 | . 4 | 68 . 7 |
| „ | . 6 | 79 . 6 | 49 . 6 | 46 - | . 1 | . 3 | . 4 | . 7 | . 5 | . 8 | 69 . |
| „ | 56 . 5 | 81.10 | 50 . 1 | . 9 | **36.11** | 38 . 8 | . 6 | . 4 | . 9 | . 4 | 67.11 |
| May - | 56 . 8 | 85 . 2 | 49.10 | 45 . 3 | 38 - | 38.10 | 41 . 1 | 44 . 6 | 78 . 9 | 69 . 5 | **66.6** |
| „ | 57 - | 94.10 | 48 . 4 | 44 . 9 | 39 . 7 | . 2 | . 3 | . 7 | . 2 | 73 . 4 | 67 . 7 |
| „ | 55 . 5 | **102.5** | 47 . 8 | . 6 | 40 . 7 | . 8 | 40 . 6 | 43.11 | . 9 | 76 . 1 | 68 . 9 |
| „ | 53 . 4 | 99.10 | 48 . 1 | . 9 | . 2 | 39 . 3 | . 5 | . 9 | 79.11 | . 10 | 69 . 2 |
| Average 13 weeks. | 55 . 6 | 82 . 5 | 49 . 9 | 44.11 | 38 . 4 | 38 . 3 | 41 . 1 | 44 . 8 | 78 . 6 | 69.10 | 68 . 2 |

| Harvest Years. | Fourth Quarter — June, July, August. | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1845–6. | 1846–7. | 1847–8. | 1848–9. | 1849-50 | 1850–1. | 1851–2. | 1852–3. | 1853–4. | 1854–5. | 1855–6. |
| | ('46.) | ('47.) | ('48) | ('49.) | ('50.) | ('51.) | ('52.) | ('53.) | ('54.) | ('55.) | ('56.) |
| | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. |
| June - | 52.10 | 88.10 | 47 . 8 | 44 . 6 | 39 . 8 | 39 . 6 | 40 . 7 | 43 . 3 | 78 . 9 | 77 . 7 | 68 . 2 |
| „ | . - | 91 . 7 | **46.10** | **44.2** | . 11 | . 11 | . 11 | . 11 | . 3 | . 5 | 67 . 9 |
| „ | 51 . 5 | . 4 | . 11 | 44 . 6 | 40 . 5 | 40 . 7 | . 9 | 45 . 7 | 77.11 | . 5 | 68 . 1 |
| „ | 52 . 2 | 87 . 1 | 48 . 2 | 45 . 4 | . 9 | 42 . 4 | . 10 | 46.11 | . 8 | 76 . 7 | 69.11 |
| „ | . 10 | 82 . 3 | . 10 | 47 . 1 | . 11 | 43 . 5 | 41 . 4 | 47 . 3 | 76 . 6 | 75.11 | 72 . 6 |
| July - | 52 . 3 | 74 - | 49 . 1 | 48 . 2 | 41 . 3 | **43.6** | 41 . 5 | 47 . 8 | 74 . 6 | 76 . 1 | 74 . 7 |
| „ | 50.10 | 75 . 6 | 48.11 | . 10 | 42 . 4 | 42 . 7 | . - | 51.10 | 71.10 | 75.11 | 76 . 3 |
| „ | 49.11 | 77 . 3 | 47.11 | 49 . 1 | 43 . 6 | . 5 | 40 . 7 | 52 . 7 | 69 . 8 | 76 . 4 | 77 . 5 |
| „ | 47 . 5 | 75 . 5 | 49 . 5 | 48 - | . 7 | . 4 | . - | **53.9** | — | 77 . 7 | . 10 |
| Aug. - | 45 . 2 | 66.10 | 50 . 5 | 47 . 4 | 44 . 1 | 42 . 3 | 39 . 7 | 53 . 3 | 64 . 8 | **78.2** | 76 . |
| „ | **45.1** | 62 . 6 | 51 - | 46 . 3 | 43 . 8 | 41 . 4 | . 7 | 51 . 1 | 62 . 3 | 77 . 7 | 71 . |
| „ | . 11 | 60 . 4 | 52 . 3 | 44 . 8 | . 6 | 39.10 | 41 . 2 | 48 . 6 | 64 - | 75 . 9 | 68 . 9 |
| „ | 47.10 | 56 . 8 | 55 . 5 | . 8 | . 6 | . 1 | **43.7** | 50 . 4 | 63 . 7 | 73 . 7 | 70 . 8 |
| Average 13 weeks. | 49 . 8 | 76 . 1 | 49 . 5 | 46 . 4 | 42 . 1 | 41 . 4 | 40.10 | 48.10 | 71 . 9 | 76.10 | 72 . 3 |

In the preceding Table (A.) the Highest and Lowest Prices of each Year are distinguished by the heavier type.

It is not easy to arrange in the form of Harvest Years, properly distinguishing the Months and Quarters, a Table of Weekly Prices, including so many as eleven years.

I hope, however, that the plan adopted in this Table (A.) will be at least clear and convenient; and it may be sufficient to say, in explanation, that the short hyphen is uniformly employed to indicate a blank; thus, 52 - (Nov. '48), is 52 shillings, and *no* pence.

(B.) *Average Prices of Wheat, in Periods of Three Calendar Months, during the Harvest Years (September to August, both inclusive,) from September, 1845, to August, '56, being a Summary of preceding Table* (A.)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Quarters of Harvest Year. | 1845–6. | 1846–7. | 1847–8. | 1848–9. | 1849–50. | 1850–1. |
| | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* |
| Sept. Oct. Nov. - | 57 – | 52 3 | 53 4 | 52 3 | 42 – | 41 2 |
| Dec. Jan. Feb. - | 55 11 | 68 10 | 52 5 | 46 3 | 39 3 | 38 3 |
| Mar. Apl. May - | 55 6 | 82 5 | 49 9 | 44 11 | 38 4 | 38 3 |
| June, July, Aug. | 49 8 | 76 1 | 49 5 | 46 4 | 42 1 | 41 4 |
| Average Price of *Harvest* Year, (1 Sep.—1 Sep.) | 54 6 | 70 – | 51 3 | 47 5 | 40 5 | 39 9 |
| Average Price of *Calendar* Year, (Jan.—Dec.) - | ('46.) 54 8 | ('47.) 69 9 | (48.) 50 6 | (49.) 44 3 | (50.) 40 3 | (51.) 38 6 |

TABLE, *continued.*

| 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|
| Quarters of Harvest Year. | 1851–2. | 1852–3. | 1853–4. | 1854–5. | 1855–6. |
| | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* |
| Sept. Oct. Nov. - | 36 9 | 37 – | 66 2 | 61 9 | 77 9 |
| Dec. Jan. Feb. - | 39 3 | 44 11 | 77 10 | 72 – | 76 8 |
| Mar. Apl. May - | 41 1 | 44 8 | 78 6 | 69 10 | 68 2 |
| June, July, Aug. | 40 10 | 48 10 | 71 9 | 76 10 | 72 3 |
| Average Price of *Harvest* Year, (1 Sep.—1 Sep.) | 39 6 | 43 10 | 73 7 | 70 1 | 73 8 |
| Average Price of *Calendar* Year, Jan.—Dec.) - | ('52.) 40 9 | ('53.) 53 3 | ('54.) 72 5 | ('55.) 74 9 | |

Note.—We may give here the *average annual* Gazette Prices (per Impl. Qr.) in England and Wales, of *Wheat*, *Barley*, and *Oats*, during the Calendar Years, 1841–55.

| Calendar Years. | Wheat. | Barley. | Oats. | Calendar Years. | Wheat. | Barley. | Oats. |
|---|---|---|---|---|---|---|---|
| | *s.* *d.* | *s.* *d.* | *s.* *d.* | | *s.* *d.* | *s.* *d.* | *s.* *d.* |
| 1841 - | 64 4 | 32 10 | 22 5 | 1849 - | 44 3 | 27 9 | 17 6 |
| '42 - | 57 3 | 27 6 | 19 3 | '50 - | 40 3 | 23 5 | 16 5 |
| '43 - | 50 1 | 29 6 | 18 4 | '51 - | 38 6 | 24 9 | 18 7 |
| '44 - | 51 3 | 33 8 | 20 7 | '52 - | 40 9 | 28 6 | 19 1 |
| '45 - | 50 10 | 31 8 | 22 6 | '53 - | 53 3 | 33 2 | 21 – |
| '46 - | 54 8 | 32 8 | 23 8 | '54 - | 72 5 | 36 – | 27 11 |
| '47 - | 69 9 | 44 2 | 28 8 | '55 - | 74 8 | 34 9 | 27 5 |
| '48 - | 50 6 | 31 6 | 20 6 | | | | |

(C.) *Wheat and Wheat Flour Entered for Home Consumption in each* *stated as Imperial Quarters of Wheat, at the Rate of 3½ cwts. of Flour per* *with Cols. of the Monthly (Gazette Average) Price; and the Average*

[The three figures at *Unit* end are omitted in Cols. 2, 5, 8, 11, 14, 17, 20, 23, 26, 29, and

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Months. | 1845–6. | | | 1846–7. | | | 1847–8. | | | 1848–9. | | | 1849–50. | |
| | *Qrs.* | *s. d.* | *s. d.* | *Qrs.* | *s. d.* | *s. d.* | *Qrs.* | *s. d.* | *s. d.* | *Qrs.* | *s. d.* | *s. d.* | *Qrs.* | *s. d.* |
| | ('45.) | | | ('46.) | | | ('47.) | | | ('48.) | | | ('49.) | |
| Aug. - | 26, | 55 9 | 17 6 | 121, | 46 3 | 6 9 | 829, | 66 3 | | 73, | 50 11 | 7 11 | 411, | 46 6 |
| Sep. - | 53, | 53 10 | 16 5 | 63, | 50 10 | 4 4 | 761, | 52 9 | | 562, | 54 2 | 4 1 | 514, | 43 3 |
| Oct. - | 25, | 57 10 | 7 5 | 45, | 58 7 | 4 1 | 370, | 54 9 | | 578, | 51 9 | 4 1 | 210, | 41 7 |
| | ('45-6.) | | | ('46-7.) | | | ('47-8.) | | | ('48-9.) | | | ('49-50.) | |
| Nov. - | 52, | 58 10 | 12 6 | 107, | 60 7 | 4 – | 220, | 53 3 | | 160, | 51 9 | 5 4 | 370, | 40 8 |
| Dec. - | 31, | 57 10 | 13 2 | 92, | 60 3 | 4 5 | 248, | 52 3 | | 87, | 48 2 | 6 1 | 293, | 39 3 |
| Jan. - | 10, | 55 6 | 12 10 | 313, | 69 11 | Duty suspended from 27th Jan. 1847 to 1st March 1848. | 97, | 53 3 | Duty suspended. | 913, | 45 5 | 1 – | 215, | 10 6 |
| | ('46.) | | | ('47.) | | | ('48.) | | | ('49.) | | | ('50.) | |
| Feby. - | 8, | 54 7 | 5 4 | 255, | 72 10 | | 139, | 50 9 | | 509, | 46 1 | Duty fixed at 1s. per Qr. under Act 9 & 10 Vict. c. 22. | 193, | |
| Mar. - | 12, | 54 10 | 9 1 | 248, | 75 4 | | 93, | 50 5 | 6 10 | 661, | 44 11 | | 262, | 38 4 |
| April - | 15, | 55 9 | 15 – | 289, | 75 4 | | 119, | 50 3 | 6 11 | 453, | 44 9 | | 399, | 37 10 |
| May - | 9, | 55 9 | 9 11 | 337, | 88 9 | | 123, | 49 – | 7 5 | 510, | 45 4 | | 379, | 38 |
| June - | 2,207, | 52 1 | 11 6 4 – | 329, | 92 10 | | 126, | 47 7 | 8 7 | 383, | 44 7 | | 465, | 40 |
| July - | 272, | 51 5 | 5 2 | 579, | 79 2 | | 56, | 48 7 | 9 7 | 404, | 48 3 | | 547, | 42 |
| | 2,722, | | | 2,796, | | | 3,182, | | | 5,294, | | | 4,258, | |

(D.) *Wheat and Wheat Flour Entered for Home Consumption* 1856; *arranged in Harvest Years; and being*

[The three figures at *Unit* end are omitted:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Quarters of Harvest Year. | 1845–6. | 1846–7. | 1847–8. | 1848–9. | 1849–50. | 1850–1. |
| | *Qrs.* | *Qrs.* | *Qrs.* | *Qrs.* | *Qrs.* | *Qrs.* |
| Aug. Sept. Oct. - - | 104, | 229, | 1,960, | 1,214, | 1,135, | 1,473, |
| Nov. Dec. Jan. - - | 93, | 512, | 565, | 1,160, | 879, | 1,393, |
| Feby. Mar. April - - | 36, | 791, | 352, | 1,623, | 853, | 1,499, |
| May, June, July - - | 2,489, | 1,264, | 305, | 1,297, | 1,391, | 1,646, |
| Totals, Harvest Year | 2,722, | 2,796, | 3,182, | 5,294, | 4,258, | 6,011, |

*Month from August, 1845, to August, 1856; the whole Quantities being Quarter; arranged in Harvest Years, August to July, both inclusive; Rate of Duty actually paid on the Entries.*

32.: thus, 26, represents 26,000. Cols. 3, &c. contain the *Price*; and Cols. 4, &c. the *Duty*.]

| 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1850–51. | | | 1851–2. | | | 1852–3. | | | 1853–4. | | | 1854–5. | | | 1855–6. | | | Months. |
| *Qrs.* | *s. d.* | *s.* | *Qrs.* | *s. d.* | *s.* | *Qrs.* | *s. d.* | *s.* | *Qrs.* | *s. d.* | *s.* | *Qrs.* | *s. d.* | *s.* | *Qrs.* | *s. d.* | *s.* | |
| ('50.) | | | ('51.) | | | ('52.) | | | ('53.) | | | ('54.) | | | ('55.) | | | |
| 395, | 43 8 | 1 | 580, | 40 11 | 1 | 489, | 41 – | 1 | 656, | 51 8 | 1 | 287, | 63 7 | 1 | 288, | 76 3 | 1 | Aug. |
| 599, | 42 9 | ,, | 479, | 37 10 | ,, | 401, | 41 9 | ,, | 601, | 54 7 | ,, | 161, | 56 7 | ,, | 153, | 75 10 | ,, | Sept. |
| 479, | 41 – | ,, | 215, | 35 11 | ,, | 501, | 38 7 | ,, | 512, | 65 11 | ,, | 87, | 57 11 | ,, | 168, | 77 1 | ,, | Oct. |
| ('50-1) | | | ('51-2.) | | | ('52-3.) | | | ('53-4.) | | | ('54-5.) | | | ('55-6.) | | | |
| 469, | 40 1 | ,, | 219, | 36 6 | ,, | 453, | 39 11 | ,, | 495, | 72 6 | ,, | 124, | 71 11 | ,, | 221, | 80 11 | ,, | Nov. |
| 488, | 39 3 | ,, | 285, | 37 5 | ,, | 301, | 43 3 | ,, | 411, | 71 7 | ,, | 101, | 73 2 | ,, | 275, | 80 1 | ,, | Dec. |
| 446, | 38 1 | ,, | 181, | 38 4 | ,, | 528, | 46 – | ,, | 536, | 80 2 | ,, | 351, | 72 6 | ,, | 260, | 76 6 | ,, | Jan. |
| ('51.) | | | ('52.) | | | ('53.) | | | ('54.) | | | ('55.) | | | ('56.) | | | |
| 411, | 37 8 | ,, | 166, | 42 2 | ,, | 211, | 45 3 | ,, | 396, | 81 9 | ,, | 113, | 70 3 | ,, | 250, | 72 7 | ,, | Feby. |
| 631, | 37 3 | ,, | 283, | 42 7 | ,, | 504, | 45 5 | ,, | 739, | 78 1 | ,, | 80, | 67 8 | ,, | 288, | 68 11 | ,, | Mar. |
| 456, | 39 – | ,, | 339, | 41 – | ,, | 496, | 44 7 | ,, | 623, | 77 11 | ,, | 160, | 68 5 | ,, | 372, | 68 9 | ,, | April. |
| 446, | 38 8 | ,, | 290, | 40 9 | ,, | 623, | 44 2 | ,, | 719, | 79 1 | ,, | 642, | 73 11 | ,, | 286, | 68 – | ,, | May. |
| 584, | 40 7 | ,, | 345, | 40 9 | ,, | 437, | 44 11 | ,, | 420, | 78 2 | ,, | 448, | 77 – | ,, | 341, | 69 7 | ,, | June. |
| 616, | 42 11 | ,, | 414, | 40 10 | ,, | 790, | 49 9 | ,, | 852, | 73 1 | ,, | 428, | 76 6 | ,, | 651, | 76 1 | ,, | July. |
| 6,011, | | | 3,796, | | | 5,735, | | | 6,461, | | | 2,982, | | | 3,553, | | | |

*in each Period of Three Months, from August, 1845, to July, a Summary of the preceding Table* (C).

thus, 104, represents 104,000.]

| 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|
| 1851–2. | 1852–3. | 1853–4. | 1854–5. | 1855–6. | Quarters of Harvest Year. |
| *Qrs.* | *Qrs.* | *Qrs.* | *Qrs.* | *Qrs.* | |
| 1,274, | 1,391, | 1,769, | 535, | 609, | Aug. Sept. Oct. |
| 685, | 1,282, | 1,442, | 576, | 756, | Nov. Dec. Jan. |
| 788, | 1,212, | 1,758, | 353, | 910, | Feby. Mar. April. |
| 1,049, | 1,850, | 1,492, | 1,518, | 1,278, | May, June, July. |
| 3,796, | 5,735, | 6,461, | 2,982, | 3,553, | Totals, Harvest Year. |

(E.) *WHEAT SOLD in the (say 300) INSPECTED MARKETS in ENGLAND 1855, as ascertained for Weeks ended Saturday, and published in the to August, both inclusive; with Cols. of the MONTHLY (Gazette Average)*

[The three figures at *Unit* end are omitted in Cols. 2, 4, 6, 8, 10, 12, 14, 16, 18,

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MONTHS. | 1845-6. | | 1846-7. | | 1847-8. | | 1848-9. | | 1849-50. | | 1850-1. | |
| | *Qrs.* | *s. d.* | *Qrs.* | *s. d.* | *Qrs.* | *s. d.* | *Qrs.* | *s. d.* | *Qrs.* | *s. d.* | *Qrs.* | *s. d.* |
| | ('45.) | | ('46.) | | ('47.) | | ('48.) | | ('49.) | | ('50.) | |
| Sep. - | 571, | 53 10 | 839, | 50 10 | 413, | 52 9 | 599, | 54 2 | 487, | 43 3 | 490, | 42 9 |
| Oct. - | 647, | 57 10 | 550, | 58 7 | 408, | 54 9 | 416, | 51 9 | 470, | 41 7 | 378, | 41 – |
| Nov. - | 479, | 58 10 | 419, | 60 7 | 423, | 53 3 | 392, | 51 9 | 407, | 40 8 | 370, | 40 1 |
| | ('45-6.) | | ('46-7.) | | ('47-8.) | | ('48-9.) | | ('49-50) | | ('50-1.) | |
| Dec. - | 570, | 57 10 | 681, | 60 3 | 583, | 52 8 | 443, | 48 2 | 504, | 39 3 | 434, | 39 3 |
| Jan. - | 408, | 55 6 | 543, | 69 11 | 408, | 53 3 | 363, | 45 5 | 416, | 40 6 | 335, | 38 1 |
| Feb. - | 436, | 54 7 | 395, | 72 10 | 396, | 50 9 | 306, | 46 1 | 379, | 38 4 | 337, | 37 8 |
| | ('46.) | | ('47.) | | ('48). | | ('49.) | | ('50.) | | ('51.) | |
| Mar. - | 543, | 54 10 | 529, | 75 4 | 471, | 50 5 | 369, | 44 11 | 404, | 38 1 | 389, | 37 3 |
| April - | 453, | 55 9 | 370, | 75 4 | 312, | 50 3 | 314, | 44 9 | 321, | 37 10 | 299, | 39 – |
| May - | 402, | 56 9 | 359, | 88 9 | 355, | 49 – | 315, | 45 4 | 354, | 38 9 | 311, | 38 8 |
| June - | 444, | 52 1 | 223, | 92 10 | 522, | 47 7 | 367, | 44 7 | 459, | 40 2 | 417, | 40 7 |
| July - | 398, | 51 5 | 179, | 79 2 | 443, | 48 7 | 282, | 48 3 | 310, | 42 – | 248, | 42 11 |
| Aug. - | 328, | 46 3 | 193, | 66 3 | 530, | 50 11 | 273, | 46 6 | 327, | 43 8 | 288, | 40 11 |
| | 5,681, | | 5,279, | | 5,264, | | 2,442, | | 4,839, | | 4,296, | |

(F.) *WHEAT SOLD in the (say 300) INSPECTED MARKETS in September, 1845, to September, 1856; arranged in HARVEST*

The three figures at *Unit* end are omitted:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| HARVEST YEARS. (Sep.—Aug.) | 1845-6. | 1846-7. | 1847-8. | 1848-9. | 1849-50. | 1850-1. |
| *Quarters of Year.* | *Qrs.* | *Qrs.* | *Qrs.* | *Qrs.* | *Qrs.* | *Qrs.* |
| Sept. Oct. Nov. - - | 1,698, | 1,808, | 1,244, | 1,407, | 1,364, | 1,239, |
| Dec. Jan. Feb. - - | 1,415, | 1,619, | 1,388, | 1,113, | 1,298, | 1,105, |
| Mch. Apl. May - | 1,398, | 1,258, | 1,138, | 999, | 1,080, | 999, |
| June, July, August - | 1,170, | 594, | 1,494, | 923, | 1,097, | 953, |
| Totals - | 5,681, | 5,279, | 5,264, | 2,442, | 4,839, | 4,296, |

*AND WALES, in each MONTH, from September, 1845, to August, LONDON GAZETTE; arranged in HARVEST YEARS, September PRICES.*

20, 22; thus, 571, represents 571,000. Cols. 3, &c. contain the *Price.*]

| 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1851–2. | | 1852–3. | | 1853–4. | | 1854–5. | | 1855–6. | | MONTHS. |
| *Qrs.* | *s. d.* | *Qrs.* | *s. d.* | *Qrs.* | *s. d.* | *Qrs.* | *s. d.* | *Qrs.* | *s. d.* | |
| ('51.) | | ('52.) | | ('53.) | | ('54.) | | ('55.) | | |
| 486, | 37 10 | 351, | 41 9 | 384, | 54 7 | 385, | 56 7 | 519, | 75 10 | Sep. |
| 434, | 35 11 | 567, | 38 7 | 471, | 65 11 | 598, | 57 11 | 595, | 77 1 | Oct. |
| 414, | 36 6 | 405, | 39 11 | 287, | 72 6 | 511, | 71 11 | 505, | 80 11 | Nov. |
| ('51-2.) | | ('52-3.) | | ('53-4.) | | ('54-5.) | | ('55–6.) | | |
| 462, | 37 5 | 474, | 43 3 | 348, | 71 7 | 565, | 73 2 | 550, | 80 1 | Dec. |
| 504, | 38 4 | 532, | 46 – | 260, | 80 2 | 332, | 72 6 | 391, | 76 6 | Jan. |
| 375, | 42 2 | 345, | 45 3 | 256, | 81 9 | 365, | 70 3 | 347, | 72 7 | Feb. |
| ('52.) | | ('53.) | | ('54.) | | ('55.) | | ('56.) | | |
| 362, | 42 7 | 349, | 45 5 | 264, | 78 1 | 446, | 67 8 | 460, | 68 11 | Mar. |
| 288, | 41 – | 390, | 44 7 | 203, | 77 11 | 386, | 68 5 | 399, | 68 9 | April |
| 452, | 40 9 | 361, | 44 2 | 311, | 79 1 | 407, | 73 11 | 560, | 68 – | May |
| 403, | 40 9 | 348, | 44 11 | 212, | 78 2 | 439, | 77 – | 404, | 69 7 | June |
| 330, | 40 10 | 412, | 49 9 | 176, | 78 1 | 378, | 76 6 | 323, | 76 1 | July |
| 341, | 41 – | 322, | 51 8 | 171, | 68 7 | 331, | 76 3 | 267, | – | Aug. |
| 4,852, | | 4,857, | | 3,343, | | 5,143, | | 5,321, | | |

*ENGLAND AND WALES, in each Period of THREE MONTHS, YEARS; being a Summary of the preceding Table* (E).

thus, 1,698, represents 1,698,000.

| 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|
| 1851–2. | 1852–3. | 1853–4. | 1854–5. | 1855–6. | HARVEST YEARS. (Sep.—Aug.) |
| *Qrs.* | *Qrs.* | *Qrs.* | *Qrs* | *Qrs.* | *Quarters of Year.* |
| 1,333, | 1,323, | 1,142, | 1,494, | 1,619, | Sept. Oct. Nov. |
| 1,341, | 1,351, | 864, | 1,262, | 1,288, | Dec. Jan. Feb. |
| 1,103, | 1,100, | 778, | 1,240, | 1,419, | Mch. April, May |
| 1,075, | 1,083, | 559, | 1,148, | 994, | June, July, August |
| 4,852, | 4,857, | 3,343, | 5,144, | 5,321, | TOTALS, Harvest Year. |

# APPENDIX VI.

CHRONOLOGICAL STATEMENT, IN A SUMMARY FORM, OF THE CHARACTER OF EACH OF THE SEASONS IN THIS COUNTRY, FROM THE SEASON COMMENCING IN (SAY) SEPTEMBER, 1792, TO THE SEASON ENDED IN (SAY) SEPTEMBER, 1856.

THE Chronological Statement contained in this division of the Appendix, is little more than an abstract, arranged in a continuous form, of the narratives and descriptions which have appeared in those portions of the several volumes of this Work devoted to the consideration of the Effect of the Seasons, and the fluctuations in the Price of Corn.

It appeared desirable, however, on many grounds of convenience, that in this concluding volume, a succinct view should be exhibited of the whole period, from the earliest date, 1792–93, to the latest date, 1855–56, of the period embraced in this History; so that the reader may have before him, at once, in outline at least, the record of the Seasons in this country.

In the more remarkable years of Abundance or Scarcity, I have been rather more copious in the detail; and for each Harvest Year (as reckoned from September in one year to August in the next) I have given the Average Price of Wheat (*per Imperial Quarter*) in England and Wales. These prices are useful and significant as collateral evidence of the character of the several crops; and it will be seen that, throughout, the price quoted, in connection with each Harvest, is for the twelvemonth *forward* from that Harvest: — as, for example, in connection with the Harvest of 1793, the quotation is given for the Harvest Year 1793–94.

These Average Harvest-year Prices, for the period 1792–93 to 1814–15, have been deduced from the table at Vol. II. page 390, which gives the Monthly Average price of wheat in England and Wales from 1793 to 1837, according to the *Winchester* (8 bushel) quarter. Now 1 Imperial quarter = 1·0315

Winchester quarters, or the Imperial quarter is a fraction above 3 per cent. more than the Winchester quarter; and, as regards price, therefore, an addition of sevenpence per £ to the Winchester quotation, will raise it to the equivalent price per imperial quarter: and these additions and corrections have been carefully made.

The prices subsequent to 1814 have been obtained from the official records of the weekly prices per Imperial Quarter, as published by authority. Although the season of Winter is generally considered not to commence earlier than December, it has been thought desirable, in the following statements, to include in the period of Harvest-Year the whole of the months from October to September, both inclusive, so as to indicate, as far as possible, all the circumstances affecting each Harvest.

1792–3. *Winter:* Open. — Sowing time of 1792, favourable. Some frost, although not severe, in January '93. — *Spring:* Rather backward. — *Summer:* Very dry. — *Autumn:* Dry and favourable. — *Harvest of* '93: Winter Corn moderately good, but spring Corn generally deficient. — *Price of Harvest-year* 1793–4, — 2*l.* 10*s.* 2*d.*

1793–4. *Winter:* November cold and wet. In December '93 and January '94 some frost, but not severe or continuous. — *Spring:* Forward, — more so than any yet recorded. — *Summer:* Very hot and dry. — *Autumn:* Violent thunder-storms. — *Harvest of* '94: Scanty, but early; the spring crops being particularly deficient. It appears, however, to have been over-estimated at the time, and also to have come to market and into use much earlier than usual. — *Price of Harvest-year* 1794–5, — 3*l.* 5*s.* 5*d.*

1794–5. *Winter:* Very early and severe. Frosts more severe and continuous than any within my recollection. On occasion of a sudden thaw in February, floods of extraordinary extent and very destructive. — *Spring:* Very cold and backward. — *Summer:* Wet and stormy. — *Autumn:* Fine. — *Harvest of* '95: Late, and produce very deficient. Little or no corn remained in stock from the harvest of 1793–4. — *Price of Harvest-year* 1795–6, — 4*l.* 4*s.*

1795–6. *Winter:* Very mild, one of the warmest on record. — *Spring:* Without any marked feature. — *Summer:* Fine. — *Autumn:* Fine. — *Harvest of* '96: Abundant, and tolerably well secured. — *Price of Harvest-year* 1796–7, — 2*l.* 14*s.* 4*d.*

1796–7. *Winter:* Set in very severely, the Thermometer at the end of Dec. 1796 being down to zero of Fahrenheit. Several persons frozen to death in different parts of the country. — *Spring:* Backward. The severity of the frost afterwards abated (Annual Register), and January and February were not more than ordinarily cold. — *Summer:* Variable, and rather cold. — *Autumn:* Wet and stormy. — *Harvest of* '97: Deficient in quantity and quality. — *Price of Harvest-year* 1797–8, — *2l.* 13*s.* 6*d.*

1797–8. *Winter:* Early, with a good deal of frost, but not continuous or of great severity. — *Spring:* Dry. — *Summer:* Dry and warm. — *Autumn:* Fine in the early part, and till near the close of harvest. *Harvest of* '98: A fair crop, early, and well secured. The Wheat crop was best; the spring crops having suffered from drought. — *Price of Harvest-year* 1798–9, — *2l.* 15*s.* 3*d.*

1798–9. *Winter:* Very early, and extremely rigorous, unfavourable to wheat-sowing. — *Spring:* Late, and excessively cold and ungenial. — *Summer:* Cold, and almost uninterruptedly wet. — *Autumn:* Still cold and wet. — *Harvest of* '99: Crops much injured, and partially destroyed. Produce exceedingly deficient. — *Price of Harvest-year* 1799–1800, — *5l.* 6*s.*

1799–1800. *Winter:* Early and severe. (6th December. Meeting at the London Tavern to concert measures for relieving the poor.) — *Spring:* Exceedingly wet. — *Summer:* Hot and dry till the 19th August; then heavy and incessant rains set in, accompanied by a high temperature and close atmosphere; but the corn being ripe earlier than usual, about half the crops are supposed to have been got in before these rains came on. — *Autumn:* The weather so far improved as to render the season favourable to wheat-sowing. — *Harvest of* 1800: The grain first got-in proved coarse, shrivelled, and light, and thus greatly deficient in yield. The rest was much injured by the wet weather, and, as a general result, more than half the crop deficient or severely damaged. — *Price of Harvest-year* 1800–1, — *6l.* 11*s.*

1800–1801. *Winter:* Less rigorous than either of the two immediately preceding, and the seed-time for winter-wheat favourable. — *Spring:* Genial. The seed-time favourable, and the crops forward and promising. — *Summer and Autumn:* Warm, and, with the exception of a good deal of rain in July, dry. — *Harvest of* 1801: Moderately abundant. — *Price of Harvest-year* 1801–2, — *3l.* 16*s.* 2*d.*

1801–2. *Winter:* Early, and the frost occasionally severe, but not continuous. — *Spring:* Variable and seasonable. — *Summer and Autumn:* Moderately warm and dry. — *Harvest of* '02: Ordinary; not abundant. — *Price of Harvest-year* 1802–3. — 3*l.* os. 6*d.*

1802–3. *Winter:* Open and mild. Some frost in January, 1803, but not severe. Cold increased in February. — *Spring:* Cold, and mostly dry. Favourable seed-time. — *Summer:* Extremely dry. Drought greater than it had been since 1794. — *Autumn:* Drought lasted till nearly the end of September. — *Harvest of* '03: Ordinary; not abundant. — *Price of Harvest-year* 1803–4,—2*l.* 14*s.* 9*d.*

1803–4. *Winter:* An unusual quantity of rain in November, 1803. In the first half of December, sharp frost. January, 1804, open, wet, and stormy. February colder, but not severely so. — *Spring:* Very cold to the end of April. May moderately warm and seasonable. June warm and dry. — *Summer:* Heavy and remarkably continuous fall of rain early in July. Reports of wheat suffering much from blight and mildew early in August. — *Autumn:* Variable. —*Harvest of* '04: Wheat crop under an average in quantity, and very inferior to that of last year in quality. (This harvest appears to have nearly resembled that of 1828.) — *Price of Harvest-year* 1804–5, — 4*l.* 8*s.* 4*d.*

1804–5. *Winter:* Mild. — *Spring:* Ungenial. — *Summer:* Cold and unsettled. Appearance of crops, at the approach of harvest, unfavourable. — *Autumn:* Improved weather, continuing till the crops were secured. — *Harvest of* '05: Rather late. Far from being considered generally abundant; but better than had been expected. — *Price of Harvest year* 1805–6, — 4*l.* 2*s.* 3*d.* (The average home production of grain was not considered at this time to be sufficient for the home consumption.)

1805–6. *Winter:* Attended with more frost and snow than the last; but not rigorous. — *Spring:* Backward; and the appearance of the crops unpromising. — *Summer:* Variable; and rather wet. — *Autumn:* Continuously unfavourable, till the end of harvest. — *Harvest of* '06: The Wheat crop considered a bare average in quantity, and inferior in quality to that of last year. — *Price of Harvest-year* 1806–7, — 3*l.* 18*s.* 9*d.*

1806–7. *Winter:* Not remarkable, either for mildness, or for severity. — *Spring:* Rather forward. — *Summer:* Fine and dry. — *Autumn:* Favourable until near the completion of

the harvest in the Southern districts of Great Britain. Afterwards unfavourable. — *Harvest of* '07: In England and Wales, the Wheat crop, though thin on the ground, was considered an average in point of yield; and it was got in, generally, in good order, and brought early to market. In Scotland the Wheat crop proved very deficient. The spring crops were everywhere scanty. In Ireland the Potato crop failed to a considerable extent. — *Price of Harvest-year* 1807–8, — 3*l.* 14*s.* 6*d.*

1807–8. *Winter:* Set in very early; which, as hay was dear, increased the consumption of all kinds of Grain. — *Spring:* Singularly stormy and cold till the end of April. — *Summer:* From the beginning of May till the middle of June the weather was fine; and vegetation went on with remarkable rapidity. Thenceforward, till near the end of July, it was unusually hot; and on the 13th and 14th of July the thermometer stood, in and near London, at 91° to 93° (Fahrenheit) in the shade, — being the greatest heat recorded to have been observed in this country. To this hot weather succeeded violent thunder-storms and heavy rain all over the country. — *Autumn:* Wet and stormy till the close of the harvest. A great part of the Hay crop rotted on the ground. — *Harvest of* '08: The Wheat was much mildewed; and the other crops were more or less injured. The produce of Grain was estimated as below an average. — *Price of Harvest-year* 1808–9, — 4*l.* 13*s.* 2*d.*

1808–9. *Winter:* Nothing remarkable: favourable for farming purposes. — *Spring:* March fair and seasonable, April cold and dry; and thenceforward a large proportion of fine warm weather. — *Summer:* Until July, the appearance of the Grain crops was favourable; but early in that month heavy rains set in, and continued till close of harvest. — *Autumn:* The same general character of wetness. — *Harvest of* '09: Scarcely any part of the crops was secured in good order. More injury was done to the Grain by mildew and sprouting than in any season here recorded, excepting the harvests of 1799 and 1816. All the crops, hay included, suffered much; and wheat and barley were deficient alike in quantity, quality, and condition. — *Price of Harvest-year* 1809–10, — 5*l.* 9*s.* 9*d.*

1809–10. *Winter:* The closing months of 1809 dry and fair for the season. — *Spring:* Singularly cold and ungenial; dry east winds prevailing for many weeks together. — *Summer:* In July, and the first half of August, the weather was wet and stormy. Afterwards it cleared up. — *Autumn:* Continuously fine, till the harvest was over. —

*Harvest of* '10: The Wheat crop, which was thin in the ground, proved deficient in quantity, but was gathered in good condition. The Hay crop was remarkably deficient. — *Price of Harvest-year* 1810–11, — 4*l.* 17*s.* 5*d.*

1810–11. *Winter:* Open and mild till the last week of December, when there was a sharp frost and a heavy fall of snow. — *Spring:* Variable. — *Summer:* Wet in May and June, with cold frosty nights in the latter month. Boisterous winds prevalent when the wheat was in bloom, and a want of sun and heat when in ear. — *Autumn:* Weather unsettled; especially in the North. The appearance of the crops at the approach of harvest unfavourable. — *Harvest of* '11: Wheat crop generally very much below an average. Oats, Pease, and Beans, generally fair crops, though injured, on thin soils, by the wetness of May and June. The Potato crop in Ireland scanty. — *Price of Harvest-year* 1811–12, — 6*l.* 2*s.*

1811–12. *Winter:* Sowing time for winter wheat very unfavourable. — *Spring:* Nothing remarkable. — *Summer:* The whole of July, and part of August, cold and wet. — *Autumn:* Weather unsettled all through the harvest; though not so wet as materially to injure the crops. — *Harvest of* '12: Late. The crops of Grain, generally, and also of Potatoes, very much under an average. — *Price of Harvest-year* 1812–13, — 6*l.* 3*s.* 5*d.* [The harvests of the five seasons 1808–12 were all more or less deficient; that of 1808 partially, and the other four decidedly so.]

1812–13. *Winter:* Early; and frost severe in the first fortnight of December, 1812; then open and comparatively mild till the middle of January, when it became colder. — *Spring:* A large proportion of wet weather till the end of May, when the rain ceased; and the rest of the spring fine, dry, and warm. — *Summer and Autumn:* The season was "decidedly favourable," fair proportions of wet and dry, and temperature moderate. — *Harvest of* '13: Very abundant; an increased breadth of land having been sown, and the yield, per acre, being unusually large. It was also well got in. — *Price of Harvest-year* 1813–14, — 4*l.* 1*s.* — [It would appear that the last of this crop was not consumed before the harvest of 1815.]

1813–14. *Winter:* The last week in December, 1813, and the first two days of January, 1814, remarkable for a continuance, during an entire week, of intense fog over a great part of the country. The longest and most severe frost, and the heaviest falls of snow in the present century.

— *Spring:* Cold and ungenial. — *Summer:* Some excessively hot days in July, preceded and followed by very high winds. — *Autumn:* Variable and inclement. The crops remarkably backward and unpromising. — *Harvest of* '14.: Late. Wheat much affected by blight and mildew, inferior in quality, and much inferior in quantity to the crop of last year; this, however, was partly made good by an increased breadth sown. — *Price of Harvest-year* 1814–15, — 3*l.* 11*s.* 9*d.*

1814–15. *Winter:* Very open. — *Spring:* Rather wet, but forward. — *Summer:* After the 18th of June, fine and warm. Appearance of the crops promising. — *Autumn:* Favourable for gathering the crops. — *Harvest of* '15: Abundant, and, on the whole, well secured. — *Price of Harvest-year* 1815–16, — 3*l.* 5*s.* 5*d.*

1815–16. *Winter:* Severe, but not remarkably so. — *Spring:* Very cold. A long and severe frost in February, and a heavy fall of snow on the 6th and 7th of that month, and the weather afterwards very inclement. — *Summer:* Cold, but generally dry, till the beginning of July, then heavy rains set in, and the weather continued wet through the Summer. — *Autumn:* Cold, wet, and boisterous till the end of harvest. (Altogether the season was the most inclement that had occurred since that of 1798–9.) — *Harvest of* '16: Corn crops very deficient in quantity, and inferior in quality, being by far the worst in yield of any in the present century. — *Price of Harvest-year* 1816–17 —4*l.* 17*s.* 10*d.*

1816–17. *Winter:* Open, and very stormy. — *Spring:* In the Spring and early Summer, the weather was bad, and the appearance of the crops unpromising. — *Summer:* After the middle of June the weather became extremely favourable, and at the beginning of July the crops looked luxuriant and promising; then came wet and unfavourable weather, and it became apparent that the harvest would be late. — *Autumn:* In the last few days of August the weather cleared up, and it continued moderately fine, though generally foggy, through the greater part of September; but the rains set in again before the crops were all gathered. — *Harvest of* '17: The Corn crops appear to have yielded about an average — rather under than over — in quantity, but were cut in good condition. — *Price of Harvest-year* 1817–18, — 4*l.* 4*s.* 6*d.*

1817–18. *Winter:* In December some sharp frosts, but the rest of the Winter open. A great prevalence of high

winds, and on the 4th of March something like a hurricane in London. — *Spring:* Rather wet. — *Summer:* From the middle of May to near the middle of September, scarcely any rain fell south of the Trent. A drought of four months, more severe than any since that of 1794. An almost total failure of all crops was expected. — *Autumn:* About the first week of September rain fell, and the crops rapidly revived. — *Harvest of* '18: The Corn crops proved better in yield than, from the small bulk of the straw, was expected.—*Price of Harvest-year* 1818–19, — 3*l.* 18*s.* 5*d.*

1818–19. *Winter:* Mild. — *Spring:* Very forward; appearance of the Corn promising, and the pastures luxuriant.— *Summer:* Variable; no marked feature of wet or dry.— *Autumn:* Also variable, but a large proportion dry and warm. — *Harvest of* '19: The Corn crops were a full average; but there were some complaints, in the Southern counties, of their having sustained damage from the previous weather. — *Price of Harvest-year* 1819–20, — 3*l.* 8*s.* 5*d.*

1819–20. *Winter:* Rather rigorous. Frost prevailed, with some intermissions, from December to near the end of February; and this was followed by a heavy fall of snow on the 21st of that month; and that terminated the winter.— *Spring:* Variable, but mostly cold, and vegetation backward. — *Summer:* Vegetation was kept back by ungenial weather, till about the 18th of June, when several days of warm and brilliantly fine weather occurred, during the blooming of the wheat; afterwards the weather became unsettled, and there were some heavy showers in July. — *Autumn:* From the beginning of August, till the crops were secured, the weather was brilliantly fine. — *Harvest of* '20: One of general and undoubted abundance. — *Price of Harvest-year* 1820–21, —2*l.* 17*s.*

1820–21. *Winter:* Mild, with little or no snow. — *Spring:* Rather forward. — *Summer:* May and June remarkably cold, and July showery and cold. — *Autumn:* Very wet. — *Harvest of* '21: Protracted by wet weather. The yield was of large bulk, but inferior in quality, and a large proportion of the crops damaged. — *Price of Harvest-year* 1821–22, — 2*l.* 10*s.* 5*d.*

1821–2. *Winter:* Remarkably mild. No snow, and hardly any frost. Such a deficiency of native ice for confectioners and private cellars, that cargoes of it were first imported from Norway. — *Spring:* Genial. — *Summer:*

Hot. — *Autumn:* The harvest very forward. 'A great part of the Wheat in the Southern and Midland districts got in by the middle of August. — *Harvest of* '22: The spring crops injured by drought, but the yield generally of average bulk, of good quality, and early got in; and the Wheat fair in bulk, and fine in quality. — *Price of Harvest-year* 1822–3, —*2l. 6s. 4d.*

1822–3. *Winter:* Rather rigorous, though not memorable for the severity or duration of the frost. — *Spring:* Very backward. Cold, dry weather prevalent till the end of June. — *Summer:* In July the weather improved. — *Autumn:* The greater part of August unsettled, with a considerable proportion of wet, by which the crops of Corn of all kinds, but the Wheat especially, were greatly injured. — *Harvest of* '23: Decidedly deficient, both in quantity and quality.—*Price of Harvest-year* 1823–4,—*2l. 19s. 9d.*

1823–4. *Winter:* Open on the whole, with some frost in January. — *Spring:* Variable and seasonable, with the exception of a heavy fall of snow on the 11th of April.— *Summer:* Very heavy rains, followed by cold winds, occurred in the latter part of May. — *Autumn:* Unsettled, and, towards the latter part of the season, remarkably wet. — *Harvest of* '24: Again deficient. — *Price of Harvest-year* 1824–5, — *3l. 4s. 8d.*

1824–5. *Winter:* Nothing remarkable, of either severity or mildness. — *Spring:* The same. — *Summer:* Very fine, dry, and hot, excepting only a few beneficial showers in August. — *Autumn:* Very fine. — *Harvest of* '25: Unusually early. The spring crops rather short; but the Wheat, although not a large crop, was of good yield in proportion to the bulk on the ground. — *Price of Harvest-year* 1825–6, — *3l. 1s. 1d.*

1825–6. *Winter:* Rather colder than that of 1824–5; but, excepting ten days of sharp frost in January, not severely so. — *Spring:* On the whole, genial; being cold and dry till the end of May, when there were some heavy warm rains. — *Summer:* Brilliantly fine, hot, and dry, from the first days of June, forward. — *Autumn:* Continuously fine, till the first week in September. — *Harvest of* '26: The Wheat crops above an average, and secured in the best condition; but other Grain and Pulse had suffered from drought, and were greatly deficient. — *Price of Harvest-year* 1826–7, — *2l. 16s. 1d.*

1826–7. *Winter:* Rather colder than either of the two immediately preceding; but still not of a character of remarkable severity. — *Spring:* Nothing remarkable. — *Summer:* Cold and dry. — *Autumn:* Somewhat unsettled. — *Harvest of* '27: Later than in either of the two last seasons; and interrupted by unsettled weather, especially in the Northern districts. The Grain crops were computed to be a full average in quantity; but in condition and quality were greatly inferior to those of the two years preceding. — *Price of Harvest-year* 1827–8, — 2*l.* 13*s.* 2*d.*

1827–8. *Winter:* Open and mild. — *Spring:* Occasionally cold and inclement, but not remarkably so. — *Summer:* During the blooming of the wheat, in June, a good deal of rain fell; and the appearance of the crop was then unpromising. About the middle of July heavy rains set in; and thenceforward, till the middle of August, the weather was wet and stormy. Where the crops were forward — as in the Southern and Eastern districts — much damage was done. — *Autumn:* In the third week of August the weather cleared up, and thenceforward continued fine; so that in the Northern districts the crops were secured in good order. — *Harvest of* '28: On the whole, greatly deficient; being everywhere below an average, in quantity and quality; and in some districts very much so. — *Price of Harvest-year* 1828–9, — 3*l.* 10*s.* 4*d.*

1828–9. *Winter:* Colder than that of 1827–8; but not very severe. — *Spring:* Backward; but not remarkably so. — *Summer:* Wet and cold. — *Autumn:* Wet and cold. — *Harvest of* '29: Very much protracted by unsettled weather; and the crops, ill got in, were found deficient in quantity, and inferior in quality. — *Price of Harvest-year* 1829–30, — 3*l.* 3*s.* 9*d.*

1829–30. *Winter:* Colder than any since 1813–14. — *Spring:* Backward. — *Summer:* Weather unsettled; though not so wet as in either of the two last seasons. — *Autumn:* A good deal of rain, but not heavy or continuous. — *Harvest of* '30: At its conclusion the crops were estimated to be decidedly below an average. Subsequent events, however, proved that they were less deficient than they had been in either of the two seasons immediately preceding. — *Price of Harvest-year* 1830–31, — 3*l.* 7*s.* 10*d.*

1830–31. *Winter:* Extremely variable: sharp frosts of a day or two alternating with rapid thaws. Very little snow appeared in the Southern division of the island; but there

were heavy falls in the Northern. — *Spring:* Nothing remarkable until May. On the 6th of that month came a severe frost, following a succession of very heavy rains, and causing much destruction of garden shrubs and plants. — *Summer:* Variable, with a preponderance of wet. — *Autumn:* Rather wet. — *Harvest of* '31: In Essex, and some of the other chief corn-growing districts, there were general complaints of mildew and other injury to the crops. But in the Western and Northern districts the yield was found to be better. — *Price of Harvest-year* 1831–2, — *3l. 1s. 3d.*

1831–2. *Winter:* Open. — *Spring:* Of medium forwardness. — *Summer:* To about the end of July, unsettled. Thenceforward fine. — *Autumn:* Extremely fine till near the end of August. Then came heavy rains, attended with a warm, close atmosphere; and some of the Wheat, still on the fields, suffered much. — *Harvest of* '32: In England, south of Yorkshire, the Grain crops were generally secured in good order; and, on the whole, the yield proved to be abundant. — *Price of Harvest-year* 1832–3, — *2l. 14s. 5d.*

1832–3. *Winter:* Open and wet. — *Spring:* Wet, with an interval of about a fortnight of dry weather in March. Especially wet throughout the month of April, and until after the first two or three days of May. During the rest of May it was fine. — *Summer:* Very fine till the second week of June. A violent gale on the 11th of June. The latter half of June brought seasonable showers; and these continued through the whole of July. — *Autumn:* For the most part, fine and favourable for maturing and gathering the Crops. — *Harvest of* '33: The Grain crops, though rather thin on the ground, were found to yield well; and were all secured in good order. — *Price of Harvest-year* 1833–4, — *2l. 9s. 9d.*

1833–4. *Winter:* Mild; rather wet; with little or no snow. — *Spring:* Forward; excepting the month of April, which was cold. May generally fine. — *Summer:* Decidedly fine and dry, with a high temperature. — *Autumn:* Fine. — *Harvest of* '34: The Wheat crop remarkably abundant, got in in excellent order, the quality fine, and the yield large. The spring crops were secured in good order, and were of good quality, but deficient in consequence of drought. — *Price of Harvest-year* 1834–5, — *2l. 1s. 5d.*

1834–5. *Winter:* As open, and as much marked by an absence of snow and frost, as the three preceding winters.

— *Spring:* A good deal of rain in March; but, on the whole, the season was favourable to the Wheat crops. — *Summer:* Until the last week of June brilliantly fine. The spring crops had again suffered, though not severely, from want of rain; but the Wheats were of extraordinary bulk and luxuriance. At the close of June very heavy rains, with high winds, lasting for three or four days continuously; and the Corn crops were laid very extensively. In July bright days, with brisk breezes, stayed the damage. Only a small proportion of the straw, however, regained its upright position: whence most of the ears ripened near the ground, and did not fill well. The rest of the summer was fine. — *Autumn:* Fine. — *Harvest of* '35: The Grain crops were secured in excellent order; and, being fit for immediate use, came early to market; but, though bulky in straw, they were decidedly inferior, both in yield and in quality, to those of 1833–4. — *Price of Harvest-year* 1835–6, — *2l. 2s. 8d.*

1835–6. *Winter:* Open; little frost, and hardly any snow. — *Spring:* Dry, and unusually cold. — *Summer:* Dry and cold till the first week of June. Then more favourable. In July rather unsettled in the South of England; and in the North of England and in Scotland very cold and wet. — *Autumn:* August mostly dry and cold in the Southern counties, and afterwards unusually wet and cold. In the North very low temperature, with heavy rains, prevailed through the season. — *Harvest of* '36: Somewhat deficient. In the Southern and Midland districts the weather was fair though cold, and the crops well got in; but, in the North of England and in Scotland, the crops were either very backward, or did not ripen at all; and very little Corn, if any, was secured in a fit state for early use. — *Price of Harvest-year* 1836–7, — *2l.* 15.

1836–7. *Winter:* From the first week of October to the last of January, the cold was very severe, and more snow fell, not only in the North, but in the Southern division of the Island, than had fallen throughout the four winters immediately preceding; and afterwards, the weather, though less severe, continued very ungenial.—*Spring:* Very backward. The harvest expected to be three or four weeks later than in 1835–6. — *Summer:* In June the weather became highly favourable to the progress of vegetation, and continued so. — *Autumn*: Very fine, rather unsettled at the end of August. — *Harvest of* '37: The crops were ripe, especially in the Southern counties, much earlier than was expected, and they were secured, even in the Northern

counties, in tolerable order; but the produce was, on the whole, less than that of last year.—*Price of Harvest-year* 1837–8, — *zl.* 17*s.* 10*d.*

1837–8. *Winter:* Open and mild till the 6th of January. Then suddenly came severe frost, which lasted, with little intermission, till near the end of February. — *Spring:* Cold, raw, and backward; the frost continuing, at intervals, into May. — *Summer:* Ungenial. Cold rains, and even frosts where the land was exposed to the north, occurred so late as the period of blooming. In July, however, and in the first three weeks of August, the weather was not unfavourable, though less bright and warm than in the five or six seasons immediately preceding. — *Autumn:* During the last weak of August, and through the greater part of September, much rain fell, especially in the Northern division of the Kingdom. — *Harvest of* 38: The Wheat crop, in the Southern part of the kingdom, was less injured than in the North. Some part of it was got in during the fine weather of August; but in the Midland and Northern districts, it was not only poor on the ground, but ill got in. The general result was a great deficiency of yield,—greater than had occurred since 1816.—*Price of Harvest-year* 1838–9, — 3*l.* 11*s.* 8*d.*

1838–9. *Winter:* Not nearly so severe as in 1837–8. — *Spring:* Again very backward, all through. — *Summer:* Unsettled and cold. Snow fell in May, even near London; on several nights severe frost. June also inclement. The latter half of July, and the whole of August, were attended with frequent rains; sometimes heavy, and generally cold. — *Autumn:* Decidedly unfavourable. — *Harvest of* '39: In the South of England, and in Ireland, the yield of Grain appears to have been less than in 1837–8; but in the North, and in Scotland, somewhat greater than in that year. Allowing for a larger breadth sown, the home supply was perhaps somewhat less deficient than in 1837–8. — *Price of Harvest-year* 1839–40, — 3*l.* 8*s.*

1839–40. *Winter:* Extremely wet until the 17th of February. Then dry, cold, easterly winds, and night frosts, with occasional snow.—*Spring:* Cold and dry, with occasional frost and snow, till the second week of April. In the first week of May, vegetation was observed to be more forward than it had been at the same period within the last four years. — *Summer:* May and June seasonable. July cold and wet throughout; but August generally favourable.—*Harvest of* '40: The produce per acre was undoubtedly much larger

than in either of the two last years; but the breadth of land seems to have been less in about the same proportion, in consequence of the extreme wetness of the sowing-time; so that the actual yield would seem to have been nearly the same as in 1838–9. — *Price of Harvest-year* 1840–41, — 3*l.* 3*s.* 6*d.*

1840–41. *Winter:* Favourable for farming purposes, on the whole, till about the first week of December. Thenceforward, till about the middle of January, the temperature was unusually low; the frost being severe enough to stop the navigation of the Thames. The latter half of January was comparatively mild; but, in the first ten days of February, there was a recurrence of severe frost, with occasional snow. After the second week of February, there was very little of either frost or snow. — *Spring:* In March the weather was variable, with a large proportion fine; and there was less easterly wind than usual. Of the three months, from Ladyday to Midsummer, the prevailing character was cold, gloomy, and wet, with much wind, and a very small number of fine days. — *Summer:* From Midsummer to Michaelmas, the weather was also cold, wet, and ungenial. On the 15th of July, there was a remarkably heavy fall of rain; and on the 8th of August, prayers were put up in the churches for fine weather. After the 14th of August came rather longer intervals of fine weather. — *Autumn:* Cold and wet throughout. — *Harvest of* '41: The Wheat crop was backward, and injured by wet, but of considerable breadth and of great bulk on the ground. It was computed at the time to be near an average in quantity, though of very inferior quality; but it ultimately proved very deficient in quantity. — *Price of Harvest-year* 1841–2, — 3*l.* 3*s.* 4*d.*

1841–2. *Winter:* Cold and wet to the close of 1841, much retarding the sowing of Wheat. In January, February, and March, 1842, the weather was more favourable to farming operations; there being frequent, but not severe, frosts, and occasional falls of snow, but not heavy or lying long on the ground. — *Spring:* April was severely cold, with an almost constant prevalence of strong, dry, easterly winds; and the greater part of May was cold, showery, and windy. In May, the Wheat crop appeared backward and thin on the ground, and in every way unpromising. — *Summer:* Early in June came a favourable change; and the bright and hot weather of the first half of that month caused a very remarkable change for the better in the appearance of the crops. The weather continued fine through-

out the summer. — *Autumn:* Fine, and very favourable to the gathering of the Corn crops, particularly in Scotland, where the season was considered the finest that occurred since 1826. — *Harvest of* '42: The Corn crops were secured all over the Kingdom in the finest order, and, on an average, about a fortnight earlier than usual. Estimates made at the time, and well confirmed by subsequent events, show that the yield per acre exceeded an average, by at least one fourth. — *Price of Harvest-year* 1842–43, — *2l. 9s. 4d.*

1842–3. *Winter:* Open and mild, with occasional frost and snow, until February, when the weather became more rough and raw, with an increase of frost, snow, and rain. The first fortnight of March was cold and dry. — *Spring:* The latter half of March, and the whole of April, was variable, but seasonable. From the first days of May to the middle of June was cold for the season, with more wet than usual. — *Summer:* Variable. From the middle of June till the 6th of August, there was more rain than usual, with some cold days, but relieved by occasional fine weather. From the 6th to the 26th of August, there was fair summer weather. — *Autumn:* From 26th August to 25th September, the weather was uniformly fine, bright, and hot. — *Harvest of* '43: The Grain crops, though ten days or a fortnight later than usual in ripening, were got in, throughout the Kingdom, in the best order. In the Southern counties of England, the yield was said to be defective; but in the North, and in Scotland and Ireland, to be much better; and the general result, both per acre and in the aggregate, may be taken to be nearly the same as in 1842. — *Price of Harvest-year* 1843–4, — *2l. 13s. 9d.*

1843–4. *Winter*: Unusually mild till near the end of January, with occasional frosts, and slight falls of snow. The cold increased much in February; and there was more frost and snow, with rain and wind. — *Spring:* In March variable, but not unseasonable. In April generally fine, excepting the prevalence of cold easterly winds in the last fortnight. These winds continued, almost without intermission, till the 4th of June. The wind then shifted to the west; and there were occasional showers till the 25th, when much rain fell. The temperature in June was variable; but there were several warm, and a few hot days. A good deal of rain fell in July; but it was not heavy or continuous. — *Autumn:* The first half of August was windy and wet; afterwards the weather improved, though the temperature continued low for the season. Favourable

weather prevailed throughout September.—*Harvest of* '44: The crops were well got in; and the Wheat crop was computed to be the largest, in bulk and yield, since 1834. — *Price of Harvest-year* 1844–5, — 2*l.* 6*s.* 7*d.*

1844–5. *Winter:* Favourable till the end of November. Then came dry easterly winds and severe cold, till near the end of December. January was mild, with a good deal of rain, till near the end of the month, when there was a return of frost. In February, and in the first three weeks of March, the weather was colder than it had been for some years, at the same season. On the whole, the winter was long, and rather rigorous. — *Spring:* The last week of March, and the first three of April, were very dry and cold. Towards the end of April, the temperature improved; but all through May, it was unseasonably cold and gloomy, with a good deal of rain.—*Summer:* June was fair and seasonable. July was cold and wet, with the exception of three fine days in the first week. August, too, was cold and wet. — *Autumn:* September was cold throughout; the first fortnight being marked with dry north-east winds; and the rest variable, with an excess of rain.—*Harvest of* '45: The crops were got in tolerably well; but were found deficient alike in bulk on the ground, in yield, and in quality. It would appear to have been quite as deficient as the harvest of 1839–40; though the stocks accumulated from the three good harvests of 1842–3–4, and the mildness of the winter of 1845–6, prevented the deficiency being nearly so much felt. The Potato crop failed, from disease, throughout the greater part of Europe. — *Price of Harvest-year* 1845–6, — 2*l.* 14*s.* 8*d.*

1845–6. *Winter:* Mild and seasonable, until December, which was wet and windy throughout. January and February also were wet, and unusually warm. The winter was thus the mildest that had occurred in England since that of 1821–2. — *Spring:* April and May very mild, excepting only a few days of cold easterly winds at the end of April. — *Summer:* Of unusually high temperature. From the 28th of May to about the 21st of June occurred the most remarkable period of hot weather, at so early a date in the season, that has occurred hitherto in the present century. The last week of June, and the whole of July, were variable, and of a low temperature; but still fair and seasonable. The weather of August was not unfavourable in the South of England; but during the first three weeks of that month, it was wet and cold in the North. — *Autumn:* Generally fair and favourable to the gathering of the

crops. — *Harvest of* '46: Various in different localities. The aggregate produce of Wheat probably fell short of that of the harvest of 1844–5; but the Grain was of a much better quality. The Potato crop was again a general failure, from disease. — *Price of Harvest-year* 1846–7, — 3*l.* 8*s.* 9*d.*

1846–7. *Winter:* Favourable to agriculture till near the end of November. It then became extremely cold, and continued so till January, when the cold abated in some degree. From the end of January till the middle of March, the cold increased, and was attended with heavy falls of snow and severe frosts.—*Spring:* The latter half of March, and the greater part of April, though unusually cold, were fair and seasonable, with little rain. From 26th April to about the middle of May, much rain fell, and a low temperature prevailed. From the third week of May, the weather rapidly improved; and, at the end of the month, was much warmer than is usual at that date. — *Summer:* The first half of June was less warm, but dry; the latter half was variable. July was fine and seasonable, with many bright and some hot days. A few days at its close, and in the beginning of August, were unsettled; otherwise the season continued fair till September. — *Autumn:* September was windy, but generally dry, and favourable. — *Harvest of* '47: The breadth of land sown with Corn in the United Kingdom, appears to have been greater than in any preceding year. The yield per acre was computed to be rather over than under an average, and the quality of the Grain was reported to be generally good.—*Price of Harvest-year* 1847–8, — 2*l.* 12*s.* 5*d.*

1847–8. *Winter:* Mild and favourable to farming operations. — *Spring:* In March and April, a great deal of rain and wind; temperature low. May not unfavourable on the whole. — *Summer:* June and July variable and unsettled, with a good deal of low temperature. August unsettled and wet.—*Autumn:* September cool, rainy, and frequent winds. — *Harvest of* '48: Wheat crop more deficient than any since the harvest of 1841, and inferior in quality to any since 1839.—*Price of Harvest-year* 1848–9, — 2*l.* 8*s.*

[The notices of the years 1847–8 to 1855–6, are made as concise as possible, as the full description is contained in the First Part of the Fifth Volume.]

1848–9. *Winter:* On the whole, mild and favourable. — *Spring:* The same remark applicable. — *Summer:* Sea-

sonable.—*Autumn:* Fair and warm.—*Harvest of* '49: Above an ordinary crop; more abundant, even, than the harvests of 1842 and 1844.—*Price of Harvest-year* 1849–50,—*2l.* os. *7d.*

1849–50. *Winter:* October and November very favourable for sowing. December wet. January dry and mild.—*Spring:* On the whole, favourable.—*Summer:* Cold and unsettled.—*Autumn:* September dry and cold, the last ten days rainy.—*Harvest of* '50: Decidedly inferior to that of 1849. Yield per acre below an ordinary crop.—*Price of Harvest-year* 1850–51,—*2l.* os. *1d.*

1850–51. *Winter:* Open and mild.—*Spring:* Cold and unseasonably variable throughout.—*Summer:* Unsettled, and temperature low.—*Autumn:* Dry, cool, and windy.—*Harvest of* '51: Decidedly above that of 1850, both in quantity and quality; but inferior to 1849 in quantity.—*Price of Harvest-year of* 1851-2,—*1l.* 19*s.* 7*d.*

1851–2. *Winter:* October and November favourable. December and January mild.—*Spring:* Dry and cold.—*Summer:* June rainy and cold. July and August hot and unsettled, with heavy storms.—*Autumn:* September variable.—*Harvest of* '52: Somewhat below an average.—*Price of Harvest-year* 1852–3,—*2l.* 3*s.* 10*d.*

1852–3. *Winter:* October and November very wet. Temperature unseasonably warm. Serious floods. December and January same general character. Great and general complaints of the interruption of farming operations.—*Spring:* Ungenial and cold. In May, heavy snow-falls. *Summer:* June and July variable; much wet. August dull, and very unsettled.—*Autumn:* Heavy rain.—*Harvest of* '53: Greatly reduced breadth of land in consequence of the character of the latter months of '52. The harvest of '53 was inferior to that of any season for many preceding years.—*Price of Harvest-year* 1853–4,—*3l.* 13*s.* 7*d.*

1853–4. *Winter:* In October '53 a good deal of rain. November and December dry and cold. December was colder than any corresponding month since 1844. January '54 very severe. Much snow. February also severe.—*Spring:* March and April seasonable. April dry and cold.—*Summer:* May backward. June and July, a great many rainy and cold days. August more favourable.—*Autumn:* September was favourable, on the whole, to the harvest.—*Harvest of* '54: The harvest was ten days later than

in moderately favourable seasons; but the general result was a larger yield per acre than has been known for many years; indeed, the best in yield since 1834. The crops of 1842, 1844, and 1849, were above an average, but 1854 exceeded them. — *Price of Harvest-year* 1854–55, — 3*l.* 10*s.* 1*d.*

1854–5. *Winter:* December, and the first ten days of January, were open and mild, then moderately cold till the 16th of that month, when frost set in with great severity, and continued, with occasional falls of snow, and short intervals of thaw, till the 12th of March, which was considered as the termination of a somewhat rigorous winter. — *Spring:* Dry and ungenial, and complaints of unfavourable appearance of the Wheat Crops. — *Summer:* Variable; for the most part of a low temperature. After the first week of August, which was wet and cold, the rest of the season favourable to securing the harvest. — *Autumn:* Favourable to gathering the Crops in the later districts, and to Wheat-sowing. — *Harvest of* '55: Considerably less abundant than 1854, and quality very various. — *Price of Harvest-year* 1855–56, — 3*l.* 13*s.* 8*d.*

1855–6. *Winter:* A good deal of sharp frost, and occasional falls of snow in December; the remaining months of winter open and mild. — *Spring:* After a dry and cold March, there was more rain than usual in April and May; in the latter month especially, when there were extensive floods in this country, and destructive inundations in France. — *Summer:* Variable as to wet and dry, but uniformly cold until 29th July, then sudden and great heat to the 8th August. The remainder of the month showery, with occasional heavy rain. *Autumn:* Very adverse to securing the Crops in the later districts, and especially in Scotland. The Crops of Corn partially injured by wet, especially in the Northern division of the island.

# APPENDIX VII.

## Tables of Prices of Commodities other than Corn during the Nine Years 1848—1856, both inclusive.

The Tables of Prices included in this Appendix, have been framed by Mr. Danson, who contributed so materially to the preparation of the Fourth Volume of this Work.

Early in 1851 Mr. Danson was compelled, by ill health, to exchange his residence in London for occupation in the country; and by that unfortunate event I was deprived of zealous and valuable aid, upon which I had relied, in no small degree, in my plans for a continuation of the Work. I am happy to know, however, that Mr. Danson's health has been quite restored by the precautions he adopted; and I gladly avail myself of this opportunity of expressing my thanks for his co-operation.

Mr. Danson prefixed to the Tables the following letter, dated in October, 1856, from Carnsdale Farm, near Barnston, Cheshire. He says:—

"I now send you the Tables of Prices (of Produce Other than Corn) completed to the present month, with a few preliminary observations necessary to explain their structure, as they differ somewhat from the corresponding Tables appended to the preceding volumes.

"Permit me to add a word of congratulation to yourself on your seeing the completion of two more volumes of the *History of Prices*, and so adding to the library of every political economist in Europe another memento of what you have done for the science. When I remember that my own loss of health, and consequent retirement to the country, alone deprived me of the gratification of assisting you more largely in this work, I recall one of the very few reasons I have for regretting my exchange of the life of a lawyer for that of a farmer. But I should certainly regret it more did I not know that the office designed for me has been most ably filled by another (viz., Mr. Newmarch), and that on your side there can be no cause for regret."

The Commodities of which the Prices are recorded have been divided into Three Groups, viz.:—

(I.) Colonial and Tropical Produce (food); and Provisions.
(II.) Raw Materials of Manufacture.
(III.) Metals.

And it will be convenient to prefix a statement of the Forty-two Articles which they include.

Those Articles marked with a star * are the *Twenty* which have been employed in the Second Part of the Fifth Volume for the purpose of Comparing Prices at different dates.

### I. — *Colonial and Tropical Produce (food); and Provisions.*

| | | |
|---|---|---|
| *1. | Coffee, - - | British Plantation, *in Bond*, per cwt. |
| 2. | „ - - | St. Domingo, „ |
| 3. | Spices, - - | Cinnamon, Ceylon, First Quality, *in Bond* per lb. |
| 4. | „ - - | Pepper, black, First Quality, *in Bond*, per lb. |
| *5. | Spirits, - - | Rum, Jamaica, 10° @ 20° O. P., *in Bond*, per gall. |
| 6. | Sugar, - - | Muscovado, Gazette Average, *in Bond*, per cwt. |
| *7. | „ - - | British West India, *in Bond*, per cwt. |
| 8. | „ - - | East India, Bengal „ |
| 9. | „ - - | Havana „ |
| *10. | Tea, - - | Congou, *in Bond*, per lb. |
| 11. | „ - - | Hyson „ |
| *12 | Tobacco, | Virginia, *in Bond*, per lb. |
| 13. | Provisions, - | Beef American, *Duty free*, per tierce. |
| 14. | „ - - | Butter, Cork, „ per cwt. |

### II. — *Raw Materials of Manufacture.*

| | | |
|---|---|---|
| 15. | Ashes, - - | Canadian Pearl, first sort, per cwt. |
| *16. | Cochineal, - | *Duty free*, per lb. |
| *17. | Cotton Wool, | Bowed Georgia, *Duty free*, per lb. |
| 18. | „ | East India „ |
| *19. | Flax, - | Riga, P. T. R., *Duty free*, per ton. |
| *20. | Hemp, - - | St. Petersburg, clean, *Duty free*, per ton. |
| *21. | Indigo, - | East Ind., Beng., *Duty free*, per lb. |
| *22. | Logwood, - | Jama., *Duty free*, per ton. |

| | | |
|---|---|---|
| 23. | Oil, - - | Seal, pale, *Duty free*, per tun of 252 galls. |
| 24. | „ - - | Southern fishery „ „ |
| *25. | „ - - | Gallipoli „ „ |
| *26. | Saltpetre, - | Rough, *in Bond*, per cwt. |
| 27. | Silk, - - | Raw, East Ind., *Duty free*, per lb. |
| *28. | „ - - | China „ |
| 29. | „ - - | Italian „ |
| *30. | Tallow, - | St. Petersburg, new Y.C., *in Bond*, per cwt. |
| 31. | Tar, - - | Stockholm, *Duty free*, per barrel. |
| *32. | Timber, - | Dantzic, Memel, *in Bond*, per load. |
| 33. | „ - - | Canadian „ |
| 34. | Wool, - - | Sheeps', Eng. Southdown, Hogs, per pack of 240 lbs. |
| 35. | „ - - | Spanish, Leonesa, *in Bond*, per lb. |
| *36. | „ - - | North Germ. Secunda „ |
| 37. | „ - - | Austral. and V. D. L., Comb., *in Bond*, per lb. |

### III. — *Metals.*

| | | |
|---|---|---|
| *38. | Copper, - | Tough Cake, *in Bond*, per ton. |
| *39. | Iron, - - | British bars, per ton. |
| 40. | „ - - | Swedish, *Duty free*, per ton. |
| 41. | Lead, - - | British pigs, per ton. |
| *42. | Tin, - - | English bars, per cwt. |

The following is Mr. Danson's Explanatory Note:

"These Tables of Prices have been compiled in the same manner, and, as nearly as might be, in the same form, as those appended to the preceding volumes. The quotations have been taken, as before, in the months of January, April, July, and November; and they have been completed to October 1856.

"There are a few instances in which these Tables will not be found to exhibit an exact continuance of those preceding. This may be regretted; but it is practically unavoidable. The Tables being of use, chiefly, as exhibiting variations of price for the same articles during long periods of time, it is very desirable to avoid any breach of the continuity of the comparison; but, on the other hand, to continue the quotation of articles which have ceased to indicate ruling

prices, or which have become obsolete, would be rather to mislead than to inform.

"Few of the variations now made are, fortunately, of much importance. '*Cotton, Wool, Demerara,*' having ceased to be quoted in the London Market, where, throughout the whole period, these prices have been taken, is omitted. The same remark applies to '*Cotton Wool, Pernambuco,*' and to '*Iron, Archangel.*' Nor did it seem requisite to attempt to replace these by other articles. '*Flax, St. Petersburg, 9-head,*' being also but seldom quoted, has been replaced by '*Riga, P. T. R.;*' and this also ceasing to be quoted, has been replaced by '*Riga, S. P. W. C. M.*'

"In some instances the title has been changed, in accordance with a similar change in the Market description; preserving, however, as much uniformity in the character of the article referred to as circumstances would permit. '*Oil, Fish,*' having become too indefinite as a title, '*Oil, Seal, Pale,*' has been substituted; and '*Cork*' butter has, until the last two years, taken the place of '*Waterford;*'—'*American and Canadian Beef* (*excluding inferior*),' have taken the place of '*Prime Mess.*' '*Tallow, St. Petersburg, New Y.C.,*' and afterwards '*1st Y.C,*' has taken the place previously allotted to '*Tallow, Russian Candle.*'

"Four articles have been added:—'*Sugar, British West Indian;*'—'*Wool, English fleeces;*'—'*Wool, of Northern Germany;*'—and '*Wool, Australian and V. D. L.*' The Wool of Northern Germany is that which, in 1848, was quoted as '*Saxon and Silesian,*' and is now quoted as '*German, Saxon, and Prussian.*'"

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In arranging the following Tables of Prices, the Nine Years, 1848–56, over which they extend, have in each case been divided into the Five Periods described in the Introductory Section to Part II. of these Volumes (v. 228–30.), namely:—1848–49, as affected by the Continental Revolutions; 1850–51, years (especially 1851) of low Prices; 1852–53, years of high or rising Prices; 1854–5, years of War; and 1856, the first year of Peace.

(1.) COFFEE—British Plantation (including Jamaica, Demerara, Berbice, Dominica, St. Lucia, and Ceylon,) per Cwt. (*in Bond.*)

DUTIES.—Until 15th *April* 1851, Foreign 6$\frac{3}{10}$*d.* per lb; B. P. 4$\frac{1}{2}$*d.* per lb.—After 15th *April* 1851, both, Raw 3*d.* per lb; both, Dried, &c., 6*d.* per lb.—After 4th *June* 1853, both, Raw, 3*d.* per lb; both, Dried, &c., 4*d.* per lb.—After 21st *April* 1855, both, Raw, 4*d.* per lb; both, Dried, &c., 5*d.* per lb.

| Year. | January. | | April. | | July. | | November. | |
|---|---|---|---|---|---|---|---|---|
| | *s. d.* | *s.* | *s. d.* | *s.* | *s. d.* | *s.* | *s. d.* | *s.* |
| 1848 | 25 – @ | 128 | 25 – @ | 128 | 20 – @ | 110 | 20 – @ | 100 |
| '49 | 20 – . | 100 | 20 – . | 100 | 20 – . | 100 | 25 – . | 100 |
| 1850 | 35 – . | 100 | 36 – . | 95 | 30 – . | 92 | 44 – . | 100 |
| '51 | 44 – . | 100 | 39 – . | 100 | 36 – . | 80 | 35 – . | 80 |
| 1852 | 35 – . | 75 | 35 – . | 75 | 35 – . | 75 | 48 – . | 90 |
| '53 | 46 – . | 86 | 50 – . | 90 | 50 – . | 90 | 50 – . | 90 |
| 1854 | 53 – . | 90 | 52 – . | 88 | 50 – . | 86 | 45 6 . | 86 |
| '55 | 44 6 . | 85 | 46 6 . | 86 | 47 – . | 90 | 52 – . | 90 |
| 1856 | 50 – . | 85 | 48 – . | 85 | 48 – . | 85 | 51 – . | 85 |

(2.) COFFEE—St. Domingo, per Cwt. (*in Bond*).

| | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s.* | *s. d.* | *s.* |
|---|---|---|---|---|---|---|---|---|
| 1848 | 27 – @ | 30 6 | 27 – @ | 30 6 | 26 – @ | 30 | 26 – @ | 27 |
| '49 | 25 6 . | 27 – | 27 6 . | 32 – | 30 – . | 33 | 40 – . | 42 |
| 1850 | 56 – . | 58 – | 49 – . | 53 – | 40 – . | 43 | 47 – . | 50 |
| '51 | 47 – . | 50 – | 41 – . | 43 – | 35 – . | 36 | 38 – . | 40 |
| 1852 | 37 – . | 39 – | 37 – . | 39 – | 37 – . | 39 | 39 – . | 41 |
| '53 | 41 – . | 43 – | 44 – . | 46 – | 44 – . | 46 | 44 – . | 46 |
| 1854 | 47 – . | 50 – | 46 – . | 50 – | 44 – . | 46 | 43 – . | 46 |
| '55 | 42 – . | 45 – | 42 – . | 45 – | 44 – . | 47 | 46 – . | 49 |
| 1856 | 48 – . | 51 – | 46 6 . | 49 – | 49 – . | 52 | 50 – . | 53 |

(3.) SPICES.—Pepper, Black, per lb. (*in Bond*).

DUTIES.—B. P. $3\frac{3}{20}$*d.* per lb. Foreign, $6\frac{3}{10}$*d.* per lb.

| Year. | January. | | April. | | July. | | November. | |
|---|---|---|---|---|---|---|---|---|
| | *d.* | *d.* | *d.* | *d.* | *d.* | *d.* | *d.* | *d.* |
| 1848 | $2\frac{1}{2}$ @ | 3 | $2\frac{1}{2}$ @ | $3\frac{1}{8}$ | $2\frac{1}{2}$ @ | $3\frac{1}{8}$ | $2\frac{3}{8}$ @ | $3\frac{1}{8}$ |
| '49 | $2\frac{3}{8}$ . | $3\frac{1}{4}$ | $2\frac{5}{8}$ . | $3\frac{1}{4}$ | $2\frac{3}{4}$ . | $3\frac{3}{8}$ | $2\frac{3}{4}$ . | $3\frac{3}{8}$ |
| 1850 | $3\frac{3}{8}$ . | $3\frac{7}{8}$ | $3\frac{5}{8}$ . | $4\frac{1}{4}$ | 3 . | $3\frac{1}{2}$ | $3\frac{1}{4}$ . | $3\frac{5}{8}$ |
| '51 | 3 . | $3\frac{1}{8}$ | 3 . | $3\frac{5}{8}$ | $2\frac{7}{8}$ . | $3\frac{3}{8}$ | 3 . | $3\frac{1}{2}$ |
| 1852 | 3 . | $3\frac{1}{2}$ | $3\frac{1}{2}$ . | 4 | $3\frac{3}{4}$ . | $4\frac{1}{8}$ | $3\frac{3}{4}$ . | $4\frac{1}{8}$ |
| '53 | $3\frac{1}{4}$ . | $4\frac{1}{8}$ | $3\frac{3}{8}$ . | 4 | $3\frac{3}{4}$ . | $4\frac{3}{8}$ | $4\frac{1}{4}$ . | 5 |
| 1854 | $4\frac{3}{8}$ . | 5 | $4\frac{3}{8}$ . | $5\frac{3}{4}$ | $3\frac{7}{8}$ . | $4\frac{1}{2}$ | $4\frac{3}{8}$ . | $4\frac{7}{8}$ |
| '55 | $4\frac{1}{4}$ . | $4\frac{7}{8}$ | $4\frac{1}{8}$ . | 5 | $4\frac{1}{8}$ . | $5\frac{1}{8}$ | 5 . | $5\frac{3}{4}$ |
| 1856 | $4\frac{7}{8}$ . | $5\frac{7}{8}$ | $4\frac{3}{4}$ . | 6 | $4\frac{5}{8}$ . | $5\frac{1}{2}$ | $4\frac{1}{2}$ . | $5\frac{1}{8}$ |

(4.) SPICES.—Cinnamon, Ceylon (first quality), per lb. (*in Bond.*)

DUTY, from the beginning of the period in view, till 4th *June* 1853, B. P. 3*d.* per lb, Foreign 6*d.* per lb. And from 4th *June* 1853, till the end of the period in view, B. P. and Foreign 2*d.* per lb, with 5 per cent. additional.

| | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* |
|---|---|---|---|---|---|---|---|---|
| 1848 | 3 2 @ | 4 10 | 3 2 @ | 4 10 | 3 – @ | 4 – | 3 – @ | 4 – |
| '49 | 3 – . | 4 – | 3 – . | 4 – | 3 – . | 4 – | 3 3 . | 4 3 |
| 1850 | 3 3 . | 4 3 | 2 4 . | 4 6 | 2 4 . | 4 6 | 2 4 . | 4 – |
| '51 | 2 4 . | 4 – | 2 2 . | 3 6 | 2 2 . | 3 6 | 1 6 . | 3 3 |
| 1852 | 1 6 . | 3 3 | 1 6 . | 3 – | 1 5 . | 2 9 | 1 4 . | 2 10 |
| '53 | 1 4 . | 2 10 | 1 4 . | 2 8 | 1 5 . | 2 8 | 1 1 . | 2 4 |
| 1854 | 1 1 . | 2 4 | – 11 . | 2 1 | – 11 . | 1 11 | – 11 . | 1 9 |
| '55 | – 11 . | 1 9 | – 11 . | 1 8 | – 11 . | 2 – | 1 – . | 2 4 |
| 1856 | 1 – . | 2 4 | 1 1 . | 2 7 | 1 – . | 2 10 | 1 – . | 2 9 |

(5.) SPIRITS.—Rum, Jamaica, 10° to 20°, per Gallon (*in Bond*).

DUTIES—on Imports into *England*.—Till 14th *Aug.* 1848, 7*s.* 10*d.* per Gallon, proof.—From that date to the end of the period in view (*Oct.* 1856), 8*s.* 2*d.* per Gallon, proof.—Lower Duties were imposed on the Imports in *Scotland* and *Ireland*, arising out of peculiarities of the Excise Assessments.

| Year. | January. | | April. | | July. | | November. | |
|---|---|---|---|---|---|---|---|---|
| | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* |
| 1848 | 3 2 @ | 3 6 | 3 2 @ | 3 6 | 3 2 @ | 3 6 | 3 2 @ | 3 6 |
| '49 | 2 6 . | 2 10 | 2 6 . | 2 10 | 2 3 . | 2 8 | 2 3 . | 2 8 |
| 1850 | 2 3 . | 2 8 | 2 3 . | 2 8 | 2 3 . | 2 8 | 2 3 . | 2 8 |
| '51 | *2 6 . | 2 8 | *2 6 . | 2 8 | *2 6 . | 2 8 | *2 2 . | 2 4 |
| 1852 | *2 2 . | 2 4 | *2 – . | 2 2 | *2 – . | 2 2 | *2 – . | 2 2 |
| '53 | *2 8 . | 2 10 | *2 8 . | 2 10 | *2 8 . | 2 10 | 3 4 . | 3 8 |
| 1854 | 4 4 . | 4 6 | 4 6 . | 5 – | 2 9 . | 3 – | 4 6 . | 5 – |
| '55 | 4 – . | 4 6 | 3 4 . | 3 8 | 3 6 . | 3 9 | 4 – . | 4 4 |
| 1856 | 3 8 . | 4 – | *3 – . | 3 3 | *3 – . | 3 3 | *3 4 . | 3 6 |

* 15° to 25° O. P.

(6.) SUGAR—Muscovados (Gazette average), per Cwt. (*in Bond*).

(For Duties see Note at end.)

| | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* |
|---|---|---|---|---|
| 1848 | 23 7½ | 22 5 | 24 11¾ | 23 3¼ |
| '49 | 23 3¼ | 26 1¾ | 27 3¾ | 25 2¼ |
| 1850 | 25 11 | 24 6 | 27 5 | 29 1¾ |
| '51 | 29 8¾ | 26 7¾ | 27 1½ | 24 10½ |
| 1852 | 22 1 | 19 10 | 24 6¼ | 25 6¼ |
| '53 | 26 2 | 25 5½ | 24 6½ | 22 10 |
| 1854 | 23 11 | 25 1¾ | 23 7 | 22 1¼ |
| '55 | 20 6¼ | 21 7½ | 21 4 | 47 7 |
| 1856 | 23 11½ | 27 2¼ | 30 9 | 31 6 |

(7.) SUGAR—British West Indian, per Cwt. (*in Bond*).

(For Duties see Note at end.)

| Year. | January. | April. | July. | November. |
|---|---|---|---|---|
| | s. d. s. d. | s. d. s. d. | s. d. s. d. | s. d. s. d. |
| 1848 | 21 – @ 28 8 | 20 – @ 29 8 | 21 6 @ 31 – | 20 – @ 26 – |
| '49 | 20 – . 26 6 | 23 – . 27 – | 24 – . 29 – | 23 – . 27 – |
| 1850 | 23 – . 27 6 | 22 – . 27 – | 23 – . 29 – | 26 – . 33 – |
| '51 | 26 – . 33 – | 25 – . 32 – | 23 – . 30 – | 18 – . 26 6 |
| 1852 | 17 – . 36 6 | 17 6 . 27 – | 17 6 . 27 – | 20 – . 30 – |
| '53 | 22 – . 30 – | 21 – . 29 6 | 20 6 . 28 6 | 20 – . 28 6 |
| 1854 | 22 – . 29 – | 21 – . 29 6 | 18 – . 26 – | 18 – . 26 – |
| '55 | 17 – . 26 – | 17 – . 26 – | 19 6 . 25 – | 43 – . 52 – |
| 1856 | 23 – . 34 – | 23 6 . 29 – | 28 – . 33 – | 28 – . 33 – |

(8.) SUGAR—East India, Bengal, per Cwt. (*in Bond*).

(For Duties see Note at end.)

| | s. d. s. d. | s. d. s. d. | s. d. s. d. | s. d. s. d. |
|---|---|---|---|---|
| 1848 | 15 – @ 31 8 | 13 – @ 27 8 | 15 – @ 29 – | 14 6 @ 32 – |
| '49 | 14 – . 34 – | 16 6 . 35 – | 18 – . 34 6 | 17 6 . 34 – |
| 1850 | 17 6 . 34 – | 17 – . 33 – | 17 – . 34 – | 19 – . 37 2 |
| '51 | 19 – . 35 – | 18 – . 35 – | 17 – . 35 4 | 13 – . 34 – |
| 1852 | 12 6 . 33 4 | 13 – . 34 – | 12 – . 34 – | 15 – . 33 – |
| '53 | 16 – . 32 – | 17 – . 32 – | 16 6 . 31 – | 15 – . 32 – |
| 1854 | 18 – . 32 – | 17 – . 31 – | 15 – . 29 – | 15 – . 29 – |
| '55 | 14 – . 29 – | 13 – . 28 6 | 15 – . 27 – | 34 – . 53 – |
| 1856 | 18 6 . 33 – | 20 – . 32 – | 23 – . 36 – | 22 – . 36 6 |

(9.) SUGAR—HAVANA, per Cwt. (*in Bond*).

(For Duties see Note at end.)

| YEAR. | January. | | April. | | July. | | November. | |
|---|---|---|---|---|---|---|---|---|
| | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* |
| 1848 | 15 – @ | 28 8 | 15 – @ | 24 8 | 17 – @ | 28 6 | 15 6 @ | 31 6 |
| '49 | 16 6 . | 28 6 | 21 – . | 34 6 | 19 6 . | 35 – | 19 – . | 35 – |
| 1850 | 20 – . | 35 – | 18 – . | 35 – | 19 6 . | 37 – | 20 6 . | 37 – |
| '51 | 20 6 . | 37 – | 20 6 . | 27 – | 20 – . | 37 8 | 16 – . | 28 8 |
| 1852 | 16 – . | 28 8 | 16 – . | 28 8 | 17 – . | 30 – | 19 – . | 31 6 |
| '53 | 19 – . | 31 – | 20 – . | 31 – | 20 – . | 31 – | 19 – . | 31 – |
| 1854 | 27 – . | 29 6 | 26 – . | 28 – | 24 – . | 28 – | 19 – . | 31 – |
| '55 | 18 6 . | 30 – | 18 6 . | 30 – | 20 – . | 31 – | 41 – . | 51 – |
| 1856 | 24 – . | 34 – | 25 – . | 38 – | 29 – . | 44 – | 28 – . | 48 – |

(10.) TEA—CONGOU, per lb. (*in Bond*).

DUTIES.—Till 1st *June* 1853, 2*s.* 2½*d.* per lb.—Afterwards, till 5th *April* 1854, 1*s.* 10*d.* per lb.—After 5th *April* 1854, 1*s.* 6*d.* per lb.—After 5th *April* 1855, 1*s.* 3*d.* per lb.—After 5th *April* 1856, 1*s.* per lb.

| | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* |
|---|---|---|---|---|---|---|---|---|
| 1848 | – 8 @ | 1 6 | – 7 @ | 1 8 | – 7 @ | 1 8 | – 7½ @ | 1 8 |
| '49 | – 8 . | 1 9 | – 8 . | 1 9 | – 8 . | 1 9 | – 8¾ . | 1 9 |
| 1850 | – 10½ . | 1 9 | – 9 . | 1 9 | – 10¼ . | 1 7 | 1 – . | 1 7 |
| '51 | 1 – . | 1 10 | 1 0¼ . | 1 10 | – 10¼ . | 1 8 | – 8¼ . | 1 6 |
| 1852 | – 7½ . | 1 6 | – 7½ . | 1 6 | – 6½ . | 1 6 | – 9¼ . | 1 7 |
| '53 | – 10 . | 2 – | – 10½ . | 2 – | – 11½ . | 2 – | 1 – . | 1 9 |
| 1854 | 1 2 . | 1 10 | 1 – . | 1 10 | – 11 . | 1 10 | – 10¼ . | 1 10 |
| '55 | – 9½ . | 1 10 | – 9 . | 1 9¼ | – 8½ . | 2 4 | – 8½ . | 2 4 |
| 1856 | – 9 . | 2 4 | – 8½ . | 2 4 | – 8½ . | 2 4 | – 8½ . | 2 4 |

(11.) TEA—Hyson, per lb. (*in Bond*).

DUTIES.—See above.

| Year. | January. | | April. | | July. | | November. | |
|---|---|---|---|---|---|---|---|---|
| | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. |
| 1848 | – 11 | @ 3 7 | 1 – | @ 3 7 | 1 – | @ 3 7 | 1 – | @ 3 7 |
| '49 | 1 – | . 3 7 | 1 – | . 3 7 | 1 – | . 3 7 | 1 – | . 3 7 |
| 1850 | 1 3 | . 3 7 | 1 4 | . 3 7 | 1 2 | . 3 6 | 1 3 | . 3 6 |
| '51 | 1 3 | . 3 6 | 1 3 | . 3 6 | 1 2 | . 3 6 | 1 2 | . 3 6 |
| 1852 | 1 1 | . 3 6 | 1 1 | . 3 6 | 1 1 | . 3 6 | 1 – | . 3 – |
| '53 | 1 – | . 3 – | 1 4 | . 3 – | 1 4 | . 3 – | 1 4 | . 3 – |
| 1854 | 1 4 | . 3 – | 1 4 | . 3 – | 1 4 | . 3 – | 1 4 | . 3 – |
| '55 | 1 4 | . 3 – | 1 5 | . 3 6 | 1 5 | . 3 6 | 1 6 | . 3 6 |
| 1856 | 1 6 | . 3 6 | 1 6 | . 4 – | 1 6 | . 4 – | 1 6 | . 4 – |

(12.) TOBACCO—Virginia, per lb. (*in Bond*).

DUTY.—*3s.* 1½*d.* per lb. during the whole period in view.

| | d. | s. d. | d. | s. d. | d. | s. d. | d. | s. d. |
|---|---|---|---|---|---|---|---|---|
| 1848 | 2½ | @ – 5½ | 2¼ | @ – 5½ | 4 | @ – 5¼ | 3¾ | @ – 6 |
| '49 | 3¾ | . – 6 | 3¾ | . – 6 | 4 | . – 5¼ | 4 | . – 5¼ |
| 1850 | 4¾ | . – 6 | 4¾ | . – 6½ | 4¾ | . – 6½ | 7 | . – 10 |
| '51 | 4½ | . 1 6 | 4½ | . 1 6 | 4½ | . 1 6 | 4 | . – 11 |
| 1852 | 2½ | . – 9 | 2½ | . – 8 | 2½ | . – 8½ | 2½ | . – 9 |
| '53 | 2½ | . – 9½ | 2½ | . – 9½ | 2½ | . – 10 | 2½ | . – 11 |
| 1854 | 2½ | . – 11 | 2½ | . – 11 | 2½ | . – 10½ | 3½ | . – 10½ |
| '55 | 4 | . – 11 | 4 | . – 10½ | 4 | . – 10½ | 4 | . – 10½ |
| 1356 | 4 | . – 10½ | 4 | . – 10½ | 4 | . – 11 | 4½ | . – 11½ |

(13.) PROVISIONS.—Butter, Cork, per Cwt.

DUTIES.—After 18th *March* 1846, Foreign 10*s.* per cwt.; B. P. 2*s.* 6*d.* per cwt.—After 4th *June* 1853, Foreign 5*s.* per cwt.; B. P. 2*s.* 6*d.* per cwt.

| Year. | January. | April. | July. | November. |
|---|---|---|---|---|
| | *s.* *s.* | *s.* *s.* | *s.* *s.* | *s.* *s.* |
| 1848 | 86 @ 92 | 88 @ 90 | 84 @ – | 78 @ 80 |
| '49 | 68 . 72 | 68 . 70 | 66 . 70 | 70 . 72 |
| 1850 | 70 . 72 | 70 . 74 | 64 . 66 | 78 . – |
| '51 | 78 . 80 | 80 . – | 70 . 72 | 80 . 82 |
| 1852 | 76 . 78 | 70 . – | 68 . 70 | 80 . – |
| '53 | 92 . 94 | 96 . – | 88 . – | 96 . – |
| 1854 | 108 . – | 98 . – | 94 . – | 102 . – |
| '55 | 104 . 106 | 96 @ 100 | 90 . – | 108 . 110 |
| 1856 | 112 . – | Waterford. 102 @ 106 | Waterford. 102 @ 106 | Waterford. 102 @ 106 |

(14.) PROVISIONS.—Beef, American and Canadian (excluding "inferior"), per tierce.

(*Duty free.*)

| | *s.* *s.* | *s.* *s.* | *s.* *s.* | *s.* *s.* |
|---|---|---|---|---|
| 1848 | 90 @ 100 | 90 @ 100 | 90 @ 100 | 90 @ 100 |
| '49 | 90 . 100 | 75 . 90 | 75 . 90 | 75 . 90 |
| 1850 | 75 . 90 | 75 . 90 | 75 . 90 | 75 . 90 |
| '51 | 75 . 90 | 75 . 90 | 75 . 90 | 75 . 90 |
| 1852 | 75 . 90 | 75 . 90 | no quotation. | 100 . 120 |
| '53 | 121 . – | 135 . 140 | 135 . 140 | 135 . 140 |
| 1854 | 135 . 140 | 135 . 140 | 135 . 140 | 135 . 140 |
| '55 | 135 . 140 | 155 . 160 | 155 . 160 | 155 . 160 |
| 1856 | 155 . 160 | 155 . 160 | 160 . – | 160 . – |

(15.) ASHES— Canadian Pearl, first sort, per Cwt.

(*Duty free.*)

| Year. | January. | April. | July. | November. |
|---|---|---|---|---|
| | s. d. s. d. | s. d. s. d. | s. d. s. d. | s. d. s. d. |
| 1848 | 36 6 @ 37 – | 41 – @ 41 6 | 36 – @ 36 6 | 31 6 @ 32 – |
| '49 | 36 – . 36 6 | 36 – . 37 – | 30 – . 30 6 | 35 6 . 36 6 |
| 1850 | 35 6 . 36 – | 32 – . 32 6 | 28 – . 29 – | 30 6 . 31 – |
| '51 | 30 6 . 31 – | 28 6 . 29 – | 30 – . 30 6 | 29 6 . 30 – |
| 1852 | 28 – . 28 6 | 27 6 . 28 – | 27 6 . 28 – | 28 – . 28 6 |
| '53 | 27 6 . 28 – | 28 – . 28 6 | 28 – . 28 6 | 28 6 . 29 – |
| 1854 | 29 – . 29 6 | 30 – . 30 6 | not quoted | not quoted |
| '55 | not quoted | 32 6 . 33 – | 36 – . – – | 40 – . – – |
| 1856 | 46 – . 47 – | 45 – . – – | 45 – . – – | 46 – . 46 6 |

(16.) COCHINEAL, per lb.

(*Duty free.*)

| | s. d. s. d. | s. d. s. d. | s. d. s. d. | s. d. s. d. |
|---|---|---|---|---|
| 1848 | 4 4 @ 6 9 | 4 1 @ 7 – | 3 5 @ 6 6 | 3 4 @ 5 3 |
| '49 | 3 9 . 5 6 | 3 8 . 5 4 | 3 6 . 5 3 | 3 4 . 5 3 |
| 1850 | 4 – . 5 3 | 3 6 . 5 3 | 3 6 . 5 3 | 4 – . 5 3 |
| '51 | 3 8 . 5 3 | 3 3 . 5 – | 2 10 . 5 – | 2 9 . 4 9 |
| 1852 | 2 8 . 4 9 | 3 6 . 4 9 | 3 6 . 4 9 | 3 4 . 5 6 |
| '53 | 4 – . 5 8 | 3 10 . 5 8 | 3 4 . 5 8 | 3 6 . 6 3 |
| 1854 | 3 10 . 5 1 | 4 2 . 5 8 | not quoted | not quoted |
| 1855 | 3 5 . 4 – | 3 1 . 4 10 | 3 6 . 4 4 | 3 9 . 4 4 |
| '56 | 3 4 . 5 9 | 3 8 . 5 11 | 3 6 . 5 11 | 3 7 . 5 11 |

(17.) COTTON WOOL—Bowed GEORGIA, per lb.

(*Duty free.*)

| YEAR. | January. | | April. | | July. | | November. | |
|---|---|---|---|---|---|---|---|---|
| | *d.* | *d.* | *d.* | *d.* | *d.* | *d.* | *d.* | *d.* |
| 1848 | 4⅛ @ | 6 | 4 @ | 5¼ | 3¾ @ | 4⅝ | 3½ @ | 4¾ |
| '49 | 4 . | 4½ | 4¼ . | 5 | 4¼ . | 5 | 5¼ . | 6¼ |
| 1850 | 5½ . | 6¾ | 5½ . | 6¾ | 6½ . | 7¾ | 7¾ . | 8⅛ |
| '51 | 7½ . | 8 | 7⅛ . | 7⅝ | 5 . | 5⅞ | 5 . | 6 |
| 1852 | 5 . | 6 | 5 . | 5⅜ | 5¼ . | 5⅞ | 5¼ . | 6½ |
| '53 | 5 . | 6 | 5½ . | 6¼ | 5½ . | 6½ | 5½ . | 6⅜ |
| 1854 | 5½ . | 6⅜ | 4⅜ . | 5⅞ | 5¼ . | 6¼ | 5¼ . | 6 |
| '55 | 5½ . | 6 | 4½ . | 5½ | 5½ . | 6¾ | 5 . | 6¼ |
| 1856 | 5 . | 6¼ | 5¼ . | 6⅝ | 5¼ . | 6¾ | 5 . | 7½ |

(18.) COTTON WOOL—EAST INDIA (Bengal, Madras, and Surat), per lb.

(*Duty free.*)

| | *d.* | *d.* | *d.* | *d.* | *d.* | *d.* | *d.* | *d.* |
|---|---|---|---|---|---|---|---|---|
| 1848 | 2¾ @ | 4¼ | 2¾ @ | 4⅜ | 2½ @ | 4 | 2⅜ @ | 3⅞ |
| '49 | 2¾ . | 3⅞ | 3 . | 4¼ | 3⅛ . | 4⅛ | 3⅞ . | 4⅞ |
| 1850 | 3¾ . | 5 | 4 . | 5 | 4¼ . | 6⅛ | 4⅞ . | 7 |
| '51 | 4⅜ . | 7 | 4¼ . | 5⅞ | 2¾ . | 4⅝ | 2⅝ . | 4 |
| 1852 | 2⅝ . | 4 | 3 . | 4⅜ | 3½ . | 4⅝ | 3¾ . | 5⅜ |
| '53 | 3 . | 4¾ | 3¼ . | 4¾ | 3 . | 4¾ | 2⅝ . | 4⅝ |
| 1854 | 2½ . | 4½ | 2½ . | 4¼ | 2¾ . | 4¼ | 2¾ . | 4⅝ |
| '55 | 2¾ . | 4¼ | 2¾ . | 4¼ | 3¼ . | 4¾ | 3¼ . | 4⅝ |
| 1856 | 3¼ . | 4¾ | 3¾ . | 5 | 4 . | 5⅛ | 4¼ . | 5⅝ |

(19.) FLAX—Riga, P. T. R., per ton.

(*Duty free.*)

| Year. | January. | April. | July. | November. |
|---|---|---|---|---|
| | £ £ | £ £ | £ £ | £ £ |
| 1848 | 44 @ 52 | 40 @ 42 | 34 @ 40 | 34 @ 40 |
| '49 | 34 . 40 | 34 . 40 | 34 . 40 | 34 . 38 |
| 1850 | 34 . 42 | 38 . 46 | 38 . 46 | 38 . 46 |
| '51 | 38 . 46 | 39 . 48 | 42 . 48 | 42 . 48 |
| 1852 | 42 . 48 | 42 . 53 | 42 . 53 | 42 . 53 |
| '53 | 42 . 53 | 42 . 55 | no quotation. | no quotation. |
| 1854 | 35 . 52 | 35 . 52 | 35 . 52 | Riga, S.P.W.C.M. 57 @ 58 |
| '55 | Riga, S.P.W.C.M. 57 @ 58 | Riga, S.P.W.C.M. 57 @ 58 | Riga, S.P.W.C.M. 53 @ 54 | 53 @ 54 |
| 1856 | 53 @ 54 | 53 @ 54 | 53 @ 54 | 52 @ 53 |

(20.) HEMP—St. Petersburg, clean, per ton.

(*Duty free.*)

| | £ s. £ s. | £ s. £ s. | £ s. £ s. | £ s. £ s. |
|---|---|---|---|---|
| 1848 | 36 –@36 5 | 35 –@– – | 27 10@28 – | 30 –@30 10 |
| '49 | 31 10 . – – | 30 – . 30 5 | 31 – . – – | 28 10 . 28 15 |
| 1850 | 30 10 . 31 – | 31 – . 31 10 | 30 5 . – – | 30 – . 31 – |
| '51 | 30 – . 30 10 | 30 – . 30 10 | 30 – . 30 10 | 31 – . – – |
| 1852 | 30 10 . 31 – | 29 10 . 30 – | 30 – . 30 10 | 38 – . 38 10 |
| '53 | 38 15 . 39 – | 39 – . – – | 36 – . 36 5 | 36 – . 36 10 |
| 1854 | 41 10 . 42 – | 70 – . – – | 62 – . 62 10 | 61 – . 62 – |
| '55 | 55 – . 58 – | 43 – . 45 – | 46 – . 47 – | 43 10 . 44 – |
| 1856 | 43 – . 43 10 | 33 – . 34 – | 33 – . 35 – | 34 – . 35 10 |

(21.) INDIGO — East India (Bengal, Oude, and Madras), per lb.

(*Duty free.*)

| Year. | January. | | April. | | July. | | November. | |
|---|---|---|---|---|---|---|---|---|
| | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. |
| 1848 | 1 – | @ 5 6 | 1 6 | @ 6 2 | 1 2 | @ 5 10 | 1 3 | @ 5 3 |
| '49 | 1 3 | . 5 5 | 1 3 | . 5 6 | 1 6 | . 5 6 | 1 6 | . 5 5 |
| 1850 | 1 6 | . 5 5 | 1 10 | . 5 5 | 1 10 | . 5 7 | 3 – | . 6 10 |
| '51 | 3 – | . 6 10 | 2 8 | . 6 6 | 1 10 | . 6 3 | 1 9 | . 6 3 |
| 1852 | 1 9 | . 6 3 | 1 4 | . 5 10 | 1 9 | . 6 2 | 2 4 | . 7 5 |
| '53 | 2 4 | . 7 5 | 2 – | . 7 5 | 1 9 | . 7 8 | 1 6 | . 8 – |
| 1854 | 1 6 | . 8 – | 1 6 | . 7 3 | 1 6 | . 7 3 | 2 2 | . 7 3 |
| '55 | 1 9 | . 7 6 | 1 1 | . 7 – | 1 3 | . 7 – | 1 – | . 7 – |
| 1856 | 1 – | . 7 6 | 1 – | . 5 – | 1 – | . 7 7 | 1 – | . 7 5 |

(22.) LOGWOOD — Jamaica, per ton.

(*Duty free*)

| | s. | | s. | s. | | s. | s. d. | s. | | s. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1848 | 80 | @ | 85 | 80 | @ | 85 | 80 @ | 82 6 | 75 | @ – |
| '49 | 75 | . | – | 95 | . | 100 | 95 . | – – | 85 | . 90 |
| 1850 | 85 | . | 90 | 85 | . | 90 | 70 . | 80 – | 70 | . 80 |
| '51 | 70 | . | 80 | 70 | . | 80 | 65 . | 70 – | 65 | . 70 |
| 1852 | 65 | . | 70 | 65 | . | 70 | 65 . | 70 – | 60 | . 70 |
| '53 | 80 | . | 85 | 105 | . | 110 | 105 . | 110 – | 100 | . 105 |
| 1854 | 110 | . | – | 142 | . | 150 | 142 . | 150 – | 130 | . – |
| '55 | 130 | . | – | 110 | . | – | 90 . | 95 – | 110 | . – |
| 1856 | 125 | . | 126 | 135 | . | – | 135 . | – – | 110 | . – |

(23.) OIL—Seal, pale, per tun of 252 galls.

(*Duty free.*)

| Year. | January. | | April. | | July. | | November. | |
|---|---|---|---|---|---|---|---|---|
| | £ s. | £ s. | £ s. | £ s. | £ s. | £ s. | £ s. | £ s. |
| 1848 | 30 – | @30 5 | 28 10 | @29 – | 24 5 | @24 10 | 26 – | @26 15 |
| '49 | 26 10 | . 26 15 | 31 – | . 31 10 | 32 10 | . 33 – | 39 – | . 39 10 |
| 1850 | 39 – | . 39 10 | 37 – | . 37 10 | 32 – | . 32 5 | 38 – | . 38 10 |
| '51 | 37 – | . 37 10 | 32 15 | . 33 – | 31 – | . 31 10 | 32 10 | . 32 15 |
| 1852 | 32 – | . 32 10 | 30 5 | . 30 10 | 35 10 | . 36 – | 35 – | . 35 10 |
| '53 | 35 10 | . 36 – | 34 10 | . 35 – | 32 15 | . 33 – | 39 – | . 39 5 |
| 1854 | 43 – | . 43 5 | 42 10 | . 43 – | 40 – | . 40 10 | 42 – | . 42 10 |
| '55 | 47 – | 47 10 | 52 – | . 52 10 | 53 – | . 53 10 | 54 10 | . 55 – |
| 1856 | 56 – | . 56 10 | 53 – | . 53 10 | 48 10 | . 49 – | 50 – | . – – |

(24.) OIL—Southern Fishery, per 252 gallons.

(*Duty free.*)

| | £ s. | £ s. | £ s. | £ s. | £ s. | £ s. | £ s. | £ s. |
|---|---|---|---|---|---|---|---|---|
| 1848 | 25 10 | @32 5 | 24 – | @27 10 | 22 10 | @24 10 | 24 – | @26 10 |
| '49 | 24 – | . 27 10 | 29 – | . 33 – | 27 10 | . 32 – | 30 – | . 34 10 |
| 1850 | 30 10 | . 34 – | 31 – | . 32 10 | 32 5 | . 33 10 | 36 10 | . 38 – |
| '51 | 35 10 | . 36 10 | 30 – | . 31 – | 31 10 | . 32 – | 31 – | . 31 10 |
| 1852 | 33 10 | . 34 – | 33 – | . 33 5 | 36 – | . 36 10 | 33 10 | . 35 10 |
| '53 | 37 – | . – – | 36 15 | . 37 – | 36 10 | . 37 – | 42 – | . 42 10 |
| 1854 | not quoted. | | not quoted. | | not quoted. | | not quoted. | |
| '55 | not quoted. | | 44 – | . 48 10 | 48 – | . 52 – | 49 – | . 53 – |
| 1856 | 48 – | . 50 10 | 42 – | . 46 – | 43 – | . 49 10 | 44 – | . 48 – |

(25.) OIL—GALLIPOLI, per 252 gallons.

(*Duty free.*)

| YEAR. | January. | April. | July. | November. |
|---|---|---|---|---|
| | £ s. £ s. | £ s. £ s. | £ s. £ s. | £ s. £ s. |
| 1848 | 44 –@44 10 | 47 –@47 10 | 45 –@45 10 | 44 –@44 10 |
| '49 | 42 –.43 – | 42 –.42 10 | 41 –.41 10 | 44 10.45 – |
| 1850 | 48 –.48 10 | 47 –.47 10 | 41 10.42 – | 43 10.44 – |
| '51 | 43 –.43 10 | 41 –.41 10 | 38 10.39 – | 40 –.40 10 |
| 1852 | 44 –.44 10 | 43 10.44 – | 46 15.47 – | 55 –.56 – |
| '53 | 59 –.60 – | 69 –.70 – | 67 –.68 – | 65 10.66 – |
| 1854 | 63 –.63 10 | 63 –.64 – | 52 –.53 – | 55 –.57 – |
| '55 | 57 10.58 – | 56 –.– – | 56 –.56 10 | 55 –.55 10 |
| 1856 | 53 10.54 – | 50 –.51 – | 49 –.49 10 | 55 10.56 – |

(26.) SALTPETRE—ROUGH, per cwt. (*in Bond*).

(*Duty free.*)

| | s. d. s. d. | s. d. s. d. | s. d. s. d. | s. d. s. d. |
|---|---|---|---|---|
| 1848 | 30 –@32 – | 33 –@36 – | 24 –@28 – | 23 6@27 – |
| '59 | 24 6.27 6 | 28 –.30 – | 24 6.27 – | 26 –.28 – |
| 1850 | 25 –.28 6 | 24 6.27 – | 24 6.27 6 | 26 6.28 6 |
| '51 | 27 –.29 6 | 25 6.29 6 | 24 –.28 6 | 24 –.28 6 |
| 1852 | 24 –.29 6 | 24 –.32 – | 22 –.29 – | 23 6.29 – |
| '53 | 24 –.30 – | 24 –.30 – | 24 –.28 6 | 27 –.30 – |
| 1854 | 25 6.32 6 | 44 –.46 – | 28 –.34 6 | 22 –.26 6 |
| '55 | 21 6.28 6 | 22 6.28 9 | 22 6.32 – | 32 –.42 6 |
| 1856 | 29 –.37 6 | 31 –.37 6 | 30 –.34 – | 32 –.37 – |

(27.) SILK—East India, Raw, per lb.

(*Duty free.*)

| Year. | January. | April. | July. | November. |
|---|---|---|---|---|
| | s. d. s. d. | s. d. s. d. | s. d. s. d. | s. d. s. d. |
| 1848 | 7 – @ 13 6 | 6 6 @ 15 – | 6 6 @ 15 – | 7 – @ 14 6 |
| '49 | 7 6 . 13 6 | 6 – . 13 – | 7 6 . 13 – | 5 6 . 15 – |
| 1850 | 6 6 . 15 – | 6 6 . 16 – | 6 – . 17 – | 5 6 . 19 6 |
| '51 | 5 6 . 19 – | 5 6 . 18 6 | 5 6 . 19 – | 8 9 . 16 6 |
| 1852 | 6 – . 15 6 | 6 – . 16 6 | 6 – . 16 6 | 6 – . 16 6 |
| '53 | 6 – . 16 6 | 12 – . 19 – | 12 – . 19 – | 11 – . 20 – |
| 1854 | 11 – . 19 – | 9 – . 21 6 | 9 6 . 20 – | 7 6 . 19 – |
| '55 | 6 6 . 18 – | 6 6 . 17 – | 6 6 . 17 – | 7 – . 18 – |
| 1856 | 10 – . 19 – | 9 – . 23 – | 10 6 . 27 6 | 14 – . 33 – |

(28.) SILK—China, Raw, per lb.

(*Duty free.*)

| | s. d. s. d | s. d. s. d. | s. d. s. d. | s. d. s. d. |
|---|---|---|---|---|
| 1848 | 10 6 @ 16 – | 10 – @ 15 – | 10 – @ 15 – | 12 – @ 17 6 |
| '49 | 12 6 . 17 6 | 12 – . 17 – | 12 – . 17 6 | 13 6 . 20 – |
| 1850 | 14 6 . 19 6 | 16 – . 20 – | 15 – . 21 – | 17 6 . 22 – |
| '51 | 18 6 . 22 – | 18 6 . 22 – | 18 6 . 22 – | 14 6 . 20 – |
| 1852 | 14 6 . 19 6 | 16 6 . 20 6 | 16 6 . 20 6 | 16 6 . 20 6 |
| '53 | 16 6 . 20 6 | 16 – . 19 – | 16 – . 19 – | 17 6 . 21 6 |
| 1854 | 10 6 . 20 – | 9 – . 20 – | 7 – . 18 – | 8 – . 15 – |
| '55 | 8 – . 18 6 | 7 – . 17 6 | 8 – . 18 6 | 9 – . 20 – |
| 1856 | 9 – . 19 6 | 9 – . 23 – | 9 6 . 25 6 | 12 6 . 26 – |

(29.) SILK — ITALIAN, Raw (all descriptions), per lb.

(*Duty free.*)

| YEAR. | January. | April. | July. | November. |
|---|---|---|---|---|
| | s. s. d. | s. d. s. d. | s. d. s. d. | s. s. d. |
| 1848 | 14 @ 20 – | 14 – @ 20 – | 12 – @ 19 – | 11 @ 19 6 |
| '49 | 13 . 21 6 | 12 6 . 23 – | 12 6 . 23 – | 15 . 28 – |
| 1850 | 16 . 26 – | 16 – . 28 – | 18 – . 28 – | 19 . 28 – |
| '51 | 19 . 28 – | 19 – . 28 6 | 19 . 28 6 | 18 . 25 6 |
| 1852 | 17 . 25 – | 20 – . 26 6 | 19 – . 27 – | 19 . 27 – |
| '53 | 19 . 27 – | 18 – . 30 – | 18 – . 30 – | 21 . 36 – |
| 1854 | 20 . 25 – | 19 – . 27 – | 19 – . 25 – | 19 . 24 – |
| '55 | 18 . 30 – | 17 6 . 23 – | 18 – . 24 – | 20 . 27 6 |
| 1856 | 22 . 27 – | 24 – . 31 – | 28 – . 38 – | 33 . 43 – |

(30.) TALLOW — ST. PETERSBURG, NEW Y. C., per cwt. (*in Bond*).

DUTY.—During the whole period in view, 1*s.* 6*d.* per cwt. The corresponding duty on tallow from British Possessions, 1*d.* per cwt.

| | s. d. s. d. | s. d. s. d. | s. d. s. d. | s. d. s. d. |
|---|---|---|---|---|
| 1848 | 44 6 @ 45 6 | 52 3 @ 52 6 | 44 9 @ 45 0 | 44 6 @ 44 9 |
| '49 | 41 6 . 49 – | 38 6 . 38 9 | 38 3 . 38 6 | 37 6 . 39 – |
| 1850 | 38 9 . 39 – | 36 9 . 37 – | 36 9 . 37 – | 38 3 . 38 6 |
| '51 | 37 3 . 37 6 | 40 – . 40 3 | 37 6 . 37 9 | 37 3 . 37 6 |
| 1852 | 36 6 . 36 9 | 35 3 . 35 6 | 38 – . 38 3 | 45 6 . 45 9 |
| '53 | 46 – . 46 3 | 44 9 . 45 – | 53 6 . – – | 55 6 . 55 9 |
| 1854 | 60 6 . 62 – | 68 – . – – | 63 9 . 65 – | 66 – . – – |
| '55 | 59 6 . – – | 48 – . – – | 52 9 . 53 – | 68 – . – – |
| 1856 | 68 – . 68 3 | 47 6 . – – | 50 6 . – – | 52 3 . – – |

(31.) TAR—Stockholm, per barrel.

(*Duty free.*)

| Year. | January. | April. | July. | November. |
|---|---|---|---|---|
| | *s. d. s. d.* | *s. d. s. d.* | *s. d. s. d.* | *s. d. s. d.* |
| 1848 | 17 3 @ 17 6 | 19 6 @ 20 – | 20 – @ 20 6 | 15 6 @ 16 – |
| '49 | 17 – . 17 3 | 17 6 . 18 – | 16 6 . 17 – | 16 – . 16 3 |
| 1850 | 16 9 . 17 – | 16 9 . 17 – | 17 – . 17 3 | 19 – . 19 6 |
| '51 | 20 6 . 21 – | 19 – . 19 6 | 17 6 . 18 – | 16 9 . 17 – |
| 1852 | 16 3 . 16 6 | 16 3 . 16 6 | 14 6 . 14 9 | 16 3 . 16 6 |
| '53 | 15 6 . 16 – | 15 9 . 16 – | 15 6 . 16 – | 19 – . 19 3 |
| 1854 | 17 6 . 17 9 | 28 – . 30 – | 24 – . – – | 30 6 . 31 – |
| '55 | 28 6 . 31 – | 25 – . 25 6 | 27 6 . 28 – | 24 – . 24 6 |
| 1856 | 25 – . 25 6 | 18 6 . 19 – | 16 – . 16 6 | 16 6 . – – |

(32.) TIMBER—Dantzic and Memel Fir, per load (*in Bond*).

DUTIES.—*January* 7. to *April* 5. 1848, not sawn or split, 20*s.* per load. — After 5th *April* 1848, 15*s.* per load.—After 15th *April* 1851, till the end of the period in view, 7*s.* 6*d.* per load.

| | *s. s.* | *s. s.* | *s. s.* | *s. s.* |
|---|---|---|---|---|
| 1848 | 80 @ 90 | 80 @ 90 | 70 @ – | 60 . 70 |
| '49 | 60 . 70 | 60 . 75 | 60 . 75 | 60 . 70 |
| 1850 | 60 . 70 | 55 . 70 | 55 . 65 | 55 . 65 |
| '51 | 60 . 70 | 60 . 75 | 50 . 65 | 50 . 65 |
| 1852 | 45 . 60 | 48 . 65 | 52 . 65 | 60 . 77 |
| '53 | 67 . 77 | 70 . 80 | 72 . 80 | 80 . 90 |
| 1854 | 70 . 95 | 70 . 95 | 65 . 90 | 70 . 95 |
| '55 | 80 . 95 | 75 . 95 | 65 . 93 | 70 . 90 |
| 1856 | 60 . 80 | 65 . 85 | 60 . 80 | 65 . 85 |

(33.) TIMBER — QUEBEC (or Canadian) Yellow Pine, per load (*in Bond*).

DUTY.— During the whole of the period in view, for timber not sawn or split, 1*s.* per load.

| YEAR. | January. | April. | July. | November. |
|---|---|---|---|---|
| | *s.* *s.* | *s.* *d.* *s.* *d.* | *s.* *s.* *d.* | *s.* *s.* *d.* |
| 1848 | 70 @ 80 | 70 – @ 80 – | 65 @ – – | 55 @ – – |
| '49 | 55 . – | 65 – . 67 6 | 60 . 62 6 | 55 . 65 – |
| 1850 | 55 . 65 | 52 6 . 57 6 | 50 . 57 – | 50 . 57 6 |
| '51 | 55 . 60 | 55 – . 60 – | 50 . 60 – | 50 . 70 – |
| 1852 | 50 . 80 | 50 – . 90 – | 70 . 80 – | 70 . 80 – |
| '53 | 70 . 85 | 70 – . 85 – | 70 . 85 – | 75 . 90 – |
| 1854 | 80 . 90 | 90 – . 130 – | 75 . 130 – | 60 . 90 – |
| '55 | 65 . 95 | 60 – . 85 – | 55 . 65 – | 65 . 75 – |
| 1856 | 75 . 80 | 65 – . 75 – | 75 . 80 – | 75 . 85 – |

(34.) WOOL — ENGLISH, Fleeces, Southdown Hogs, per pack of 240 lbs.

(*Duty free.*)

| | £ *s.* £ *s.* | £ *s.* £ *s.* | £ *s.* £ *s.* | £ *s.* £ *s.* |
|---|---|---|---|---|
| 1848 | 11 – @ 12 10 | 11 – @ 12 10 | 9 10 @ 10 – | 9 10 @ 10 – |
| '49 | 10 – . 11 – | 11 10 . 12 10 | 11 – . 12 – | 11 – . 12 – |
| 1850 | 12 10 . 13 10 | 12 10 . 13 10 | 12 10 . 13 10 | 13 10 . 14 10 |
| '51 | 14 – . 15 – | 14 – . 14 10 | 14 – . 14 10 | 13 – . 14 – |
| 1852 | 13 – . 14 10 | 13 – . 14 10 | 14 10 . 15 10 | 16 – . 17 – |
| '53 | 17 10 . 18 10 | 19 – . 19 10 | 17 – . 18 – | 16 10 . 17 – |
| 1854 | 15 10 . 16 – | 14 – . 14 10 | 12 – . 12 10 | 13 10 . 14 – |
| '55 | 12 10 . 13 10 | 12 10 . 13 – | 14 – . 15 – | 14 10 . 15 – |
| 1856 | 14 10 . 15 – | 17 – . 18 – | 17 10 . 18 – | 18 – . 19 – |

(35.) WOOL (Sheep's)—Spanish, Leonesa, per lb.

(*Duty free.*)

| Year. | January. | | April. | | July. | | November. | |
|---|---|---|---|---|---|---|---|---|
| | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. |
| 1848 | 1 8 | @ 2 – | 1 8 | @ 2 – | 1 6 | @ 2 – | 1 5 | @ 1 6 |
| '49 | 1 5 | . 1 6 | 1 6 | . 1 7 | 1 2 | . 1 3 | 1 2 | . 1 3 |
| 1850 | 1 5 | . 1 6 | 1 5 | . 1 6 | 1 5 | . 1 6 | 1 5 | . 1 6 |
| '51 | 1 5 | . 1 6 | 1 5 | . 1 6 | 1 5 | . 1 6 | 1 5 | . 1 6 |
| 1852 | 1 5 | . 1 6 | 1 5 | . 1 6 | 1 5 | . 1 6 | 1 5 | . 1 6 |
| '53 | 1 5 | . 1 6 | 1 5 | . 1 6 | 1 5 | . 1 6 | 1 3 | . 1 4 |
| 1854 | 1 3 | . 1 4 | 1 3 | . 1 4 | 1 3 | . 1 4 | 1 3 | . 1 4 |
| '55 | 1 3 | . 1 4 | 1 3 | . 1 4 | 1 3 | . 1 4 | 1 10 | . 2 – |
| 1856 | 1 10 | . 2 2 | 1 10 | . 2 – | 1 10 | . 2 – | not quoted. | |

(36.) WOOL (Sheep's) of Northern Germany. Secunda, per lb.

(*Duty free.*)

| | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. |
|---|---|---|---|---|---|---|---|---|
| 1848 | 1 10 | @ 2 1 | 1 10 | @ 2 1 | 1 10 | @ 2 1 | 1 8 | @ 1 10 |
| '49 | 1 8 | . 1 10 | 1 9 | . 1 11 | 1 6 | . 1 9 | 1 6 | . 1 9 |
| 1850 | 2 2 | . 2 8 | 2 – | . 2 4 | 2 – | . 2 4 | 2 – | . 2 4 |
| '51 | 2 – | . 2 4 | 2 – | . 2 4 | 2 – | . 2 4 | 2 – | . 2 4 |
| 1852 | 2 – | . 2 4 | 2 – | . 2 4 | 2 – | . 2 4 | 2 – | . 2 4 |
| '53 | 2 – | . 2 4 | 2 – | . 2 4 | 2 – | . 2 4 | 2 – | . 2 4 |
| 1854 | 1 10 | . 2 2 | 1 10 | . 2 2 | 1 10 | . 2 2 | 1 10 | . 2 2 |
| '55 | 1 10 | . 2 2 | 1 10 | . 2 2 | 1 10 | . 2 2 | 1 10 | . 2 2 |
| 1856 | 1 10 | . 2 2 | 1 10 | . 2 2 | 1 10 | . 2 2 | 2 – | . 2 4 |

(37.) WOOL—Australian and V. D. L. combing and clothing, per lb.

(*Duty free.*)

| Year. | January. | April. | July. | November. |
|---|---|---|---|---|
| | *s.* d. *s.* *d.* | *s.* *d.* *s.* *d.* | *s.* *d.* *s.* *d.* | *s.* *d.* *s.* *d.* |
| 1848 | – 11 @ 2 4 | – 11 @ 2 4 | – 10 @ 2 3 | – 7 @ 1 11½ |
| '49 | – 7 . 1 8½ | – 10 . 1 10 | – 9 . 1 10½ | – 11½ . 2 7½ |
| 1850 | 1 1 . 2 1 | – 11 . 2 – | – 10½ . 1 11½ | – 10 . 2 3½ |
| '51 | 1 1½ . 2 4½ | 1 1 . 2 4 | – 10 . 2 1 | 1 – . 2 4½ |
| 1852 | 1 – . 2 2½ | 1 1 . 2 1 | 1 – . 2 4½ | 1 1 . 2 5½ |
| '53 | 1 2 . 2 4½ | 1 2 . 2 4½ | 1 1 . 2 9 | 1 1 . 2 9 |
| 1854 | – 11 . 2 4½ | – 11½ . 2 2½ | – 9 . 2 1½ | – 10 . 2 6 |
| '55 | – 9½ . 2 4½ | – 9½ . 2 4½ | 1 – . 2 7 | 1 – . 2 7 |
| 1856 | 1 – . 2 7 | 1 – . 2 7 | 1 1½ . 2 10½ | 1 2½ . 2 9 |

(38.) COPPER—Tough Cake (English), per ton.

DUTIES.—Foreign 2*s.* 6*d.* per ton after 20th *April* 1848.—Free after 4th *June* 1853.

| | £ *s.* | £ *s.* | £ *s.* | £ *s.* |
|---|---|---|---|---|
| 1848 | 98 – | 88 10 | 88 10 | 79 10 |
| '49 | 79 10 | 88 10 | 79 10 | 84 – |
| 1850 | 84 – | 88 10 | 84 – | 84 – |
| '51 | 84 – | 84 – | 84 – | 88 10 |
| 1852 | 88 10 | 88 10 | 102 10 | 102 10 |
| '53 | 107 10 | 117 – | 107 10 | 116 10 |
| 1854 | 126 – | 126 – | 126 – | 126 – |
| '55 | 126 – | 126 – | 126 – | 126 – |
| 1856 | 126 – | 126 – | 107 10 | 107 10 |

(39.) IRON — British, Bars, per ton.

| Year. | January. | | | | April. | | | | July. | | | | November. | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | £ | s. | d. | £ s. d. | £ | s. | d. | £ s. d. | £ | s. | d. | £ s. | £ | s. | d. | £ s. |
| 1848 | 8 | – | – | @ 8 5 – | 8 | 2 | 6 | @ 8 5 – | 6 | 15 | – | @ 7 – | 6 | 10 | – | @ – – |
| '49 | 6 | – | – | – – – | 6 | 15 | – | . 6 17 6 | 5 | 10 | – | . 6 10 | 6 | – | – | . – – |
| 1850 | 6 | – | – | – – – | 5 | 17 | 6 | . 6 – – | 5 | 17 | 6 | . 6 – | 5 | 7 | 6 | . 5 10 |
| '51 | 5 | 15 | – | . 6 – – | 5 | 15 | – | . 6 – – | 5 | 7 | 6 | . – – | 5 | 7 | 6 | . – – |
| 1852 | 5 | 2 | 6 | – – – | 5 | 2 | 6 | – – – | 5 | 10 | – | . 5 15 | 7 | 15 | – | . – – |
| '53 | 10 | – | – | – – – | 9 | – | – | . 9 10 – | 9 | – | – | . – – | 9 | – | – | . – – |
| 1854 | 9 | 5 | – | . 9 10 – | 10 | – | – | – – – | 10 | 10 | – | . – – | 10 | 5 | – | . – – |
| '55 | 8 | 10 | – | – – – | 7 | 15 | – | – – – | 8 | 15 | – | . – – | 9 | – | – | . 9 5 |
| 1856 | 8 | 17 | 6 | . 9 2 6 | 9 | – | – | . 9 5 – | 8 | 15 | – | . 9 – | 8 | 15 | – | . 9 – |

(40.) IRON — Swedish, per ton.

(*Duty free.*)

| | £ | s. | | £ | s. | £ | s. | | £ | s. | £ | s. | £ | s. | £ | s. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1848 | 11 | 5 | @ | 11 | 10 | 11 | 15 | @ | 12 | – | 11 | 15 | @ 12 | – | 10 | 15 @ 11 5 |
| '49 | 10 | 15 | . | 11 | 5 | 12 | – | . | 12 | 10 | 12 | – | . – | – | 12 | – . 12 10 |
| 1850 | 12 | – | . | 12 | 10 | 12 | 10 | . | – | – | 12 | 5 | . – | – | 11 | 10 . 11 15 |
| '51 | 11 | 15 | . | – | – | 11 | 15 | . | – | – | 11 | 15 | . – | – | 11 | 15 . – – |
| 1852 | 11 | 10 | . | 11 | 15 | 11 | 10 | . | 11 | 15 | 11 | – | . 11 | 5 | 10 | 15 . 11 – |
| '53 | 11 | 10 | . | – | – | 11 | 10 | . | – | – | 11 | 10 | . 12 | – | 12 | – . – – |
| 1854 | 12 | 10 | . | – | – | 12 | 10 | . | – | – | 12 | 10 | . – | – | 12 | 10 . – – |
| '55 | 12 | 10 | . | – | – | 13 | 10 | . | – | – | 13 | 10 | . 14 | 10 | 14 | 10 . 15 10 |
| 1856 | 15 | – | . | 18 | – | 14 | – | . | 18 | – | 14 | – | . 18 | – | 14 | – . 18 – |

## (41.) LEAD—British, in pigs, per ton.

DUTIES.—Foreign 2*s.* 6*d.* per ton after 20th *April* 1848.—Free after 1st *June* 1853.

| Year. | January. | | April. | | July. | | November. | |
|---|---|---|---|---|---|---|---|---|
| | £ *s.* | £ *s.* | £ *s.* | £ *s.* | £ *s.* *d.* | £ *s.* | £ *s.* *d.* | £ *s.* *d.* |
| 1848 | 18 – | @ – – | 17 5 | @ – – | 17 – – | @ – – | 15 5 – | @ 16 5 – |
| '49 | 15 5 . | 16 5 | 15 15 . | 16 – | 15 7 6 . | 15 10 | 15 15 – . | 16 – – |
| 1850 | 15 15 . | 16 – | 18 10 . | – – | 18 10 – . | – – | 17 – – . | 17 2 6 |
| '51 | 17 10 . | – – | 17 10 . | 17 15 | 17 – – , | – – | 17 2 6 . | – – – |
| 1852 | 16 15 . | 17 – | 16 10 . | 16 15 | 18 – – . | – – | 19 10 – . | – – – |
| '53 | 24 – . | – – | 25 – . | – – | 23 – – . | – – | 22 5 – . | – – – |
| 1854 | 23 10 . | – – | 25 – . | – – | 24 10 – . | 25 – | 23 5 – . | – – – |
| '55 | 23 – . | – – | 22 – . | – – | 22 10 – . | – – | 25 10 – . | 26 – – |
| 1856 | 25 10 . | 26 – | 26 10 . | 27 – | 25 – – . | 26 10 | 23 15 – . | 24 – – |

## (42.) TIN—English, in bars, per cwt.

DUTIES.—Foreign, after 9th *July* 1842, 6*s.* $3\frac{6}{10}$*d.* per cwt.; B. P. 3*s.* $1\frac{8}{10}$*d.* per cwt.—Free as to both after 4th *June* 1853.

| | *s.* *d.* | *s.* *d.* | *s.* *d.* | *s.* *d.* |
|---|---|---|---|---|
| 1848 | 83 6 | 80 6 | 76 6 | 80 – |
| '49 | 80 – | 90 – | 74 – | 74 – |
| 1850 | 81 – | 78 – | 75 – | 81 – |
| '51 | 84 – | 85 – | 85 – | 85 – |
| 1852 | 90 – | 85 – | 88 – | 97 – |
| '53 | 103 – | 117 – | 108 – | 123 – |
| 1854 | 131 – | 125 – | 120 – | 117 – |
| '55 | 117 – | 111 – | 111 – | 124 – |
| 1856 | 130 – | 134 – | 130 – | 135 – |

Note.—The following details will exhibit the alterations which have taken place since 1847 in the rates of Duties on Colonial and Foreign Sugar.

Duties on Muscovado Sugar.

Till 10th *July* 1848, 14*s.* per cwt.; thence to 5th *July* 1849, 13*s.* per cwt.; thence to 5th *July* 1850, 12*s.* per cwt.; thence to 5th *July* 1851, 11*s.* per cwt.; after 5th *July* 1851, 10*s.* per cwt.; being not equal to "White-clayed" Sugar, and imported from British possessions when the importation of foreign Sugar was prohibited. In the absence of such prohibition, the Duty was slightly increased. (For Duties after 8th *May* 1854, see Note to Sugar, "British West Indian.")

Duties on West India Sugar.

The same as those stated above, for "Muscovado" Sugar, except when the quality equalled "White-clayed," when the Duties of 14*s.*, 13*s.*, 12*s.*, 11*s.*, and 10*s.* per cwt. respectively, were *increased to* 16*s.* 4*d.*, 15*s.* 2*d.*, 14*s.*, 12*s.* 10*d.*, and 11*s.* 8*d.*—From 8th *May* 1854 to 5th *July* 1854, 15 per cent. was added to all the Duties on Sugar. From 5th *July* 1854 to 21st *April* 1855, the Duties were:

| | | |
|---|---|---|
| On West India Sugar equal to White-clayed | - - - - - - | 14*s.* |
| ,, equal to Yellow Muscovado or Brown-clayed | - - | 12*s.* |
| ,, not equal to ditto | - - - - - - - | 11*s.* |

After 21st *April* 1855, these three Duties were raised, respectively, to 13*s.* 9*d.*, 15*s.*, and 17*s.* 6*d.*

Duties on Havana and other Foreign Sugar.

| Duties, per Cwt. | To 10 July, 1848. | 10 July, '48, to 5 July, '49. | 5 July, '49, to 5 July, '50. | 5 July, '50, to 5 July, '51. | 5 July, '51, to 5 July, '52. | 5 July, '52, to 5 July, '53. | 5 July, '53, to 5 July, '54. |
|---|---|---|---|---|---|---|---|
| | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* | *s. d.* |
| If equal to white-clayed - | 23 4 | 21 7 | 19 10 | 18 1 | 16 4 | 15 2 | 14 - |
| If not equal to white-clayed | 20 - | – | – | – | – | – | – |
| If equal to brown-clayed - | - - | 20 - | 18 6 | 17 - | 15 6 | 14 6 | 13 - |
| If not equal to brown-clayed | - - | 18 6 | 17 - | 15 6 | 14 - | 13 - | 12 - |

From 8th *May* 1854, to 5th *July* 1854, an addition of 15 per cent. was levied upon all Sugar Duties. After 5th *July* 1854, the Duties on British and Foreign Sugars were *equalised.*

In the next and second portion of this Appendix I introduce statements of Imports and Exports.

## (2.) *Exports and Imports—United Kingdom,* 1848—1855.

The following Table forms a natural appendage to the statements of Prices just given. The first division of the Table

shows the Declared Value of the *Exports* of British and Irish Produce and Manufactures, selecting the leading articles.

The second division, the *Imports* in Quantities of Foreign and Colonial Produce, selecting the leading commodities.

The third division, the *Re-Exports* from the United Kingdom of a portion of the Imports shown in the second division of the Table. In other words, the third division shows the leading articles of the *Transit Trade.*

The *Exports* increase rapidly and largely after 1850, but especially in 1853, '54, and '55.

The *Imports* in 1851 were generally very large, and fully explain the great fall of prices in that year.

The *Re-Exports*, particularly in those articles which, as Cotton Wool, are free of duty, have rapidly increased since 1848; and there is a general tendency towards the conversion of this country into an emporium or central market.

The Real or Declared Value of the *Exports* from the United Kingdom has been ascertained year by year for a long period. But it was not until 1854 that the Statistical Department of the Board of Trade adopted measures for ascertaining, by means of proper inquiries among brokers, merchants, and others, the *real* Value of the Total *Imports*, and the *real* Value of the *Re-Exports*, of Foreign and Colonial Produce.

For the two years 1854 and 1855, the results officially stated are as follows: —

| | Real Values: United Kingdom. Millions Sterling. 1854. | Millions Sterling. 1855. |
|---|---|---|
| Total Imports | 152,60 | 143,85 |
| Re-Exports | 18,65 | 20,40 |
| | 133,95 | 123,45 |
| Total Exports | 97,09 | 95,67 |
| Balance *against* United Kingdom | 36,86 | 27,78 |

It would appear, therefore, that in the two years 1854–5, the Balance of Trade against this country has amounted to nearly 65 millions sterling.

UNITED KINGDOM. — *DECLARED VALUE of EXPORTS of BRITISH various leading*

I. EXPORTS. —

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| YEARS. | Apparel, Haberdashery, and Millinery. | Beer and Ale. | Metals and Minerals, Manufactured and Raw. | Cotton Manufactures. | Earthenware. | Hardware and Cutlery. | Leather and Leather Wares. |
| | £ | £ | £ | £ | £ | £ | £ |
| 1848 | 1,51 | ,41 | 7,67 | 16,75 | ,72 | 1,86 | ,37 |
| '49 | 1,96 | ,42 | 8,67 | 20,07 | ,81 | 2,20 | ,50 |
| 1850 | 2,38 | ,56 | 9,55 | 21,87 | 1,00 | 2,64 | ,61 |
| '51 | 2,72 | ,58 | 9,81 | 23,45 | 1,12 | 2,83 | ,60 |
| 1852 | 3,32 | ,75 | 10,83 | 23,22 | 1,15 | 2,69 | ,84 |
| '53 | 6,92 | 1,30 | 15,50 | 25,82 | 1,34 | 3,66 | 1,58 |
| 1854 | 5,94 | 1,32 | 16,63 | 24,95 | 1,31 | 3,87 | 1,51 |
| '55 | 3,96 | 1,37 | 15,15 | 27,58 | 1,02 | 2,96 | 1,41 |

II. IMPORTS. —

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| YEARS. | Raw Sugar. (*Imptd.*) | Tea. (*Imptd.*) | Coffee. (*Imptd.*) | Wine. (*Imptd.*) | Tobacco. (*Imptd.*) | Timber. | Oils. |
| | cwts. | lbs. | lbs. | galls. | lbs. | loads. | cwts. & tuns. |
| 1848 | 6,87 | 47,77 | 57,05 | 7,53 | 35,60 | ,86 | ,62 |
| '49 | 6,93 | 53,46 | 63,31 | 7,97 | 44,00 | ,81 | ,60 |
| 1850 | 6,29 | 50,51 | 50,80 | 9,30 | 36,71 | ,79 | ,58 |
| '51 | 7,93 | 71,46 | 53,11 | 9,01 | 33,37 | 1,01 | ,70 |
| 1852 | 6,89 | 66,36 | 54,93 | 6,79 | 36,03 | 1,12 | ,66 |
| '53 | 7,28 | 70,73 | 55,63 | 11,03 | 45,18 | 1,34 | ,83 |
| 1854 | 9,09 | 83,79 | 66,50 | 10,88 | 35,20 | 1,27 | 1,00 |
| '55 | 7,34 | 83,12 | 64,06 | 8,94 | 39,50 | ,92 | 1,10 |

*and* IRISH PRODUCE *and* MANUFACTURES; *and* QUANTITIES *of* IMPORTS. 1848–54.

*Declared Value.*

| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|---|---|---|---|---|---|---|
| Linen Manufactures. | Machinery. | Silk Manufactures. | Woollen Manufactures. | Yarn, Cotton and Woollen. | TOTAL. | YEARS. |
| £ | £ | £ | £ | £ | £ | |
| 2,80 | ,82 | ,59 | 5,73 | 6,69 | 52,85 | 1848 |
| 3,49 | ,70 | 1,00 | 7,34 | 7,79 | 63,60 | '49 |
| 3,95 | 1,04 | 1,25 | 8,59 | 7,83 | 71,37 | 1850 |
| 4,11 | 1,17 | 1,32 | 8,37 | 8,11 | 74,45 | '51 |
| 4,23 | 1,25 | 1,55 | 8,73 | 8,08 | 78,07 | 1852 |
| 4,76 | 1,98 | 2,04 | 10,17 | 8,34 | 98,93 | '53 |
| 4,12 | 1,93 | 1,69 | 9,12 | 8,15 | 97,09 | 1854 |
| 4,12 | 2,21 | 1,53 | 7,72 | 9,25 | 95,67 | '55 |

*Quantities.*

| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|---|---|---|---|---|---|---|
| Hemp. | Hides. | Raw Silk. | Cotton Wool. | Sheep's Wool. | Tallow. | YEARS. |
| cwts. | cwts. | lbs. | lbs. | lbs. | cwts. | |
| ,84 | ,56 | 4,47 | 713,02 | 70,86 | 1,50 | 1848 |
| 1,06 | ,69 | 5,00 | 755,47 | 76,77 | 1,46 | '49 |
| 1,05 | ,61 | 4,94 | 663,57 | 74,32 | 1,24 | 1850 |
| 1,29 | ,69 | 4,61 | 757,38 | 83,31 | 1,22 | '51 |
| 1,07 | ,57 | 5,83 | 929,78 | 93,76 | 1,05 | 1852 |
| 1,24 | ,81 | 6,48 | 895,28 | 119,40 | 1,17 | '53 |
| 1,21 | ,64 | 7,53 | 887,33 | 106,12 | ,75 | 1854 |
| 1,27 | ,65 | 6,62 | 890,16 | 99,30 | ,95 | '55 |

III.—Re-Exports.—*Quantities.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| Years. | Sugar. | Tea. | Coffee. | Wine. | Tobacco. | Oils. | Raw Silk. | Cotton Wool. | Sheep's Wool. |
| | cwts. | lbs. | lbs. | galls. | lbs. | cwts. | lbs. | lbs. | lbs. |
| 1848 | ,33 | 3,55 | 24,09 | 1,51 | 11,14 | ,12 | ,30 | 74,20 | 6,54 |
| '49 | ,56 | 4,34 | 34,85 | 1,70 | 16,44 | ,19 | ,47 | 100,00 | 12,32 |
| 1850 | ,37 | 5,01 | 12,17 | 1,74 | 8,50 | ,12 | ,56 | 104,20 | 14,05 |
| '51 | ,31 | 4,52 | 22,71 | 1,68 | 14,40 | ,16 | ,55 | 113,40 | 13,71 |
| 1852 | ,41 | 6,13 | 12,93 | 1,80 | 12,00 | ,18 | ,70 | 112,20 | 11,26 |
| '53 | ,25 | 4,88 | 26,65 | 2,47 | 11,34 | ,20 | ,43 | 150,10 | 11,70 |
| 1854 | ,37 | 8,65 | 32,60 | 2,10 | 13,74 | ,25 | 1,10 | 123,00 | 24,47 |
| '55 | ,23 | 13,63 | 28,77 | 1,88 | 11,75 | ,31 | 2,18 | 127,00 | 29,41 |

Note.—The *four* figures at the *unit* end are omitted.—Thus ,23 represents 230,000. In other words, the amounts are given in millions and decimals of a million.

In the second division of this Table, "Imports.—Quantities," those commodities subject to Customs Duties are marked as "Imported," in order to indicate that the quantities in the several columns are the *Total* Quantities Imported, and not merely the quantities entered for Home Consumption.

# APPENDIX VIII.

INCREASE OF COTTON AND OTHER FACTORIES IN THE UNITED KINGDOM DURING EACH YEAR, 1851–55;
AND STATEMENTS CONNECTED WITH RECENT IMPROVEMENTS IN THE CONDITION OF THE FACTORY POPULATION;
AND ALSO WITH REFRENCE TO THE INCREASE OF THE PRODUCTIVE POWER OF FACTORIES.

I HAVE collected in this Appendix, from the Half Yearly Reports of the Factory Inspectors, some of the passages which occur in the Reports between 1847 and 1856 relative to the Extension of the Great Staple Manufactures; to the Condition of the Workpeople; to the Improvements in Machinery and in the Economy of Factory Working; and to the Effect of the Legislative Interference with Factory Labour, of which the Ten Hours' Bill is the type.

It will appear, I think, that under each of these heads the advance has been real and rapid during the last ten years, and that we may fairly assume that we have entered upon a period when improvement in the character and condition of the Factory Operatives, accompanied by numerous changes for the better in the whole Economy of Factory Management, will produce powerful effects both on the general condition of the country, and in indefinitely increasing the means not only of sustaining production, but of constantly extending it and reducing its cost.

The Table which follows exhibits, in a general form, the Increase of Factory Power from 1851 to 1855. The materials for framing such a Table were first supplied by the Factory Inspectors in 1852; and the following passage from the Report of Mr. Redgrave (the Inspector of the Yorkshire District) for the Half-year ended 31st Oct. 1852, refers to circumstances which it is necessary to bear in mind in examining the figures.

Mr. Redgrave says:—

"As it is the wish of the Secretary of State that the Inspectors should prepare returns annually, showing in various details the state of the Textile Manufactures of the kingdom, so far as is exemplified in the Number of Factories at work, it has been necessary to vary the form in which the returns were first prepared, in order that the comparison might be exact, and also that it might show the fluctuation as well as the increase of the various branches of industry.

"The information, therefore, for the year 1852, has been collected under three heads, and is contained in the following Table.* The first column contains the number of New Buildings erected for factories; of Buildings adapted for factories; of Factories and Parts of Factories, having been unoccupied, set to work between the 31st October and the 1st November, 1852. The second column, the number of Factories in which additional moving power has been provided during the same periods. And the third column shows the number of Factories Unoccupied on the 31st October, 1852. By means of these Returns a very satisfactory comparison, as far as numbers are concerned, may be made from year to year. * *

"The details given above are, however, but instalments of the facts requisite for obtaining a real insight into the condition of the Textile Manufactures. The rapid strides with which Improvement in Machinery has advanced within these few years have enabled manufacturers to increase production without additional moving power. The more economical application of labour has been rendered necessary by the diminished length of the working day, and in most well-regulated mills an intelligent mind is always considering in what manner production can be increased with decreased expenditure.

"I have before me a statement, kindly prepared by a very intelligent gentleman in my District, showing the number of hands employed, their ages, the machines at work, and the wages paid from 1840 to the present time. In October, 1840, his firm employed 600 hands, of whom 200 were under 13 years of age. In October last, 350 hands were employed, of whom 60 only were under 13; the same number of machines, within very few, were at work, and the same sum in wages was paid at both periods. I quote this in order to show, that returns of Power of Spindles, or of Looms, must be considered as indications rather than as facts; and that there are many other circumstances which should be ascertained, and should accompany statistical tables, when the condition of the Manufacturing Industry of the country is under consideration."

The following is the General Table formed from the Reports of all the Inspectors:—

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* The Table here meant is the Table immediately prepared by Mr. Redgrave, and not here inserted.

FACTORIES *in the* UNITED KINGDOM. — *STATEMENT by the* INSPECTORS *under the* FACTORY ACTS *of* (1.) *New Factories Built;* (2.) *Additions to Existing Factories;* (3.) *Factories become Unoccupied, during the Five Years ended* 31*st October*, 1851–55.

I. NEW FACTORIES BUILT.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Years ended 31st Oct. | Cotton. | | Woollen. | | Worsted. | | Flax. | | Silk. | | Small Ware. | | Equivalent Number of Persons employed at 4 per 1 H. P. |
| | No. | Horse Power. | No. | Horse Power. | No. | Horse Power. | No. | Horse Power. | No. | Horse Power. | No. | Hrs. Pwr. | |
| | | *No.* | | *No.* | | *No.* | | *No.* | | *No.* | | *No.* | *No. of Persons.* |
| 1851 | 88 | 2,388 | – | – | – | – | – | – | – | – | – | – | 17,960 |
| '52 | 109 | 3,174 | 36 | 673 | 41 | 624 | 18 | 596 | 20 | 273 | 5 | 36 | 21,430 |
| '53 | 130 | 3,073 | 54 | 802 | 26 | 357 | 21 | 597 | 20 | 180 | 4 | 66 | 20,300 |
| '54 | 156 | 4,090 | 62 | 900 | 11 | 630 | 18 | 460 | 64 | 412 | 6 | 80 | 26,800 |
| '55 | 87 | 2,064 | 65 | 866 | 7 | 191 | 14 | 206 | 16 | 65 | 6 | 43 | 13,760 |
| Totals | 570 | 14,789 | 217 | 3241 | 85 | 1802 | 71 | 1869 | 120 | 930 | 21 | 225 | 100,250 |

II. ADDITIONS MADE TO EXISTING FACTORIES.

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1851 | 123 | 1853 | – | – | – | – | – | – | – | – | – | – | 11,240 |
| '52 | 29 | 801 | 24 | 160 | 4 | 63 | 11 | 530 | – | – | 1 | 4 | 6,240 |
| '53 | 37 | 1944 | 21 | 180 | 4 | 130 | 9 | 160 | 3 | 30 | – | – | 9,750 |
| '54 | 33 | 1144 | 8 | 170 | 2 | 75 | 6 | 164 | – | – | – | – | 6,400 |
| '55 | 4 | 195 | 12 | 187 | 1 | 40 | 3 | 100 | 1 | 12 | – | – | 2,120 |
| Totals | 226 | 5977 | 65 | 697 | 11 | 308 | 29 | 954 | 4 | 42 | 1 | 4 | 35,750 |

III. FACTORIES BECOME UNOCCUPIED DURING THE PERIOD.

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1851 | – | – | – | – | – | – | – | – | – | – | – | – | 10,000 |
| '52 | 51 | 1490 | 24 | 626 | 20 | 400 | 32 | 888 | 6 | 34 | 2 | 13 | 13,450 |
| '53 | 27 | 350 | 21 | 370 | 3 | 34 | 8 | 180 | 2 | 10 | 1 | 17 | 3,860 |
| '54 | 44 | 678 | 23 | 400 | 22 | 411 | 26 | 800 | 2 | 14 | 1 | 7 | 9,200 |
| '55 | 55 | 1270 | 32 | 240 | 7 | 90 | 6 | 200 | 3 | 15 | 1 | 9 | 7,680 |
| Totals | 177 | 3788 | 100 | 1636 | 52 | 935 | 72 | 2068 | 13 | 73 | 5 | 46 | 44,190 |

Note. — This Table has been framed from Returns contained in the Half Yearly Reports of the Inspectors of Factories, acting under the several Factory Acts. The Returns were first given in a complete form for the year ended 31st Oct. 1852. The Returns for the year ended 31st Dec. 1851 do not distinguish in classes either Woollen, Worsted, Flax, Silk, or Small-ware Factories; nor do the Returns for that year give the number of Factories become Unoccupied. The figures in the Table for 1851 are, therefore, the best *estimates* that can be formed.

The Factory Inspectors adopt the unit of *four* persons to each *one*-Horse Power, as fairly representing the manual employment. Adopting this basis, the general result for the Five Years would be —

| Years ended 31st Oct. | New Factories and Additions. | Deduct Factories Unoccupied. | Additional Labour. |
|---|---|---|---|
| | *Persons.* | *Persons.* | *Persons.* |
| 1851 | 29,200 | 10,000 | 19,200 |
| '52 | 27,670 | 13,450 | 14,220 |
| '53 | 30,050 | 3,860 | 26,190 |
| '54 | 33,200 | 9,200 | 24,000 |
| '55 | 15,880 | 7,680 | 8.200 |
| | | | 91,810 |

Or in the five years an addition of say 100,000 persons to the previous number employed.

There are four Principal Factory Inspection Districts, viz., (A) The Lancashire District, including the counties of Lancaster, Westmoreland, Cumberland, Northumberland, Durham, the North Riding, and a small part of the West Riding of York. This District has been for a long period under the care of Mr. Leonard Horner.

(B) The West and South District, including Chester, Stafford, Leicester, Warwick, Bedford, Buckingham, Hertford, Berks, Hants, and the rest of England west of that line, all Wales, and all Ireland. This District has been for some time in charge of Mr. Howell.

(C) The Scotland District, including the whole of Scotland, is under the care of Sir John Kincaid. The late Mr. Stuart had charge of this District till his death in 1849.

(D) The Yorkshire District includes all the region *eastward* of District B; and, therefore, includes the West Riding of Yorkshire as its principal field. Mr. Alex. Redgrave has been the Inspector since early in 1852, when he succeeded the late Mr. Saunders.

The Factory Acts do *not* include the Lace Manufactures of Nottingham.

The Returns in the Factory Reports distinguish these several districts, and enter into other classifications.

The predecessor of Mr. Redgrave in the Yorkshire District was the late Mr. Saunders, — an able, zealous, and benevolent man. Mr. Saunders interested himself constantly and largely in the investigation of questions connected with the welfare and improvement of the Factory Population. He was a stanch upholder of the doctrines of Factory Legislation, and it may possibly have happened that on some occasions the conclusions at which he arrived bore about them undue traces of sentiment. His testimony, however, is always entitled to the greatest consideration, and few persons will dissent from the general correctness of the following statements from Mr. Saunders's Report

of 31st Oct. 1848, relative to the condition of the Factory Population *before* and *subsequent* to the period of Legislative supervision.

Speaking of the effects produced by Non-Interference and by Interference on the Factory workers, Mr. Saunders says : —

"The comparison necessary for this purpose must not be limited to a few years or a few places. The past and present condition of the Working Classes must be examined, so far as is possible as a whole. The present and past condition of that great portion who have not been adequately protected or controlled, must also be compared with those now in some measure under efficient protection.

"It will not be sufficient to show that some, who attended at one time the Spinning Frame or the Loom, have, by care and industry, become manufacturers and capitalists. The inquiry to be made is intended to apply to those who have neither the talent nor the opportunity thus to improve themselves. On such a principle it would be equally just to refer to those who, at one time, possessed wealth, and who afterwards, by want of care or even by circumstances beyond their control, have been reduced to poverty, to disprove the assertion that the manufacturing and mining interests of the country have prospered.

"Under the Non-Interference system, the Manufacturing and Mining interests of the country, in all its branches, have prospered to an extent which has been the admiration and wonder of the world. The accumulated riches of the Employers in almost every branch, have exceeded all previous estimate or calculation. The skill, energy, and capital of the Manufacturer, have effected wonderful improvements in machinery, whereby its products have increased, and the physical labour of the operative diminished.

"But while all this was in progress, what has been the social state and condition of the Working Classes engaged in these pursuits?

"Have their Wages and Earnings, as a class, improved in the same proportion as the accumulated riches of the capitalist and employer of labour? or, Have their comforts at home, and the supply of food and clothing distributed among them, borne any proportion to the luxuries and altered mode of living in which employers have been able to indulge?

"Has there been among the Operatives, as a class, any improvement in their self-respect, in their sense of moral feeling and responsibilities, or in the exercise of their moral and religious duties, at all to be compared to the benefits the nation at large, the capitalist, or the employer, have derived from the extension of the manufacturing interests?

"Rather, on the contrary, must it not be admitted that great and increasing evils have attended the system, which congregated together,

without sufficient protection and control, large masses of careless and ignorant persons, among whom, as a class, crime and debauchery have prevailed to an extent which at times endangered, not only the very property these persons had assisted to create, but the welfare of the state, and the liberty, and even the lives, of the well ordered classes of society?

"The next point to be determined is, whether the Factory Acts of 1833 and 1844 have been of any value or service to the Working Classes placed under their protection.

"The period is passed in which it is necessary to offer proof, that the labour of even the lowest and youngest class of operatives is increased in value by early training and judicious instruction; neither can it be requisite to offer any argument in proof, that by husbanding the health and strength of the Child and young person, the value of the Man, to whatever class of society he may belong, will hereafter be increased. It will be sufficient, then, at present, to trace the operation of those Acts in these particulars, without stopping to offer any observations in support of such propositions, and simply to ask:—

"Have not the physical health and strength of Factory Operatives thus protected greatly improved? and, Has not the result of the protection afforded given great satisfaction to various members of all classes?

"Are any cases of injury from excessive labour now discovered throughout the mills under inspection? and, Have not the number of persons injured, and the extent of serious injury inflicted by want of guards to dangerous machinery, been materially reduced?

"Have not the provisions which require the younger classes to attend school, wherever well-conducted establishments for the purpose are found, proved of incalculable advantage? And lastly,

"Have not all the regulations which have effected these ends been in operation, without preventing, in any manner, an increase and an improvement in the manufacturing interests affected by them, throughout the country?

"The most favourable answers to these questions I have propounded, may not reconcile all differences of opinion as to the extent to which Non-Interference has been injurious to the Working Classes, or as to the exact amount of benefit resulting from the protection now in operation; but if the answers be such as I anticipate they must be, then, I submit, sufficient will have been proved to induce all persons interested to uphold the general rules and principles which have been to some extent at least usefully applied."

Among the most striking of the answers furnished by Mr. Saunders himself to some of the questions he proposed in this passage, was the following statement in his Report of 31st October, 1850, showing the very large *increase* in the Adult

Workers, and the very large *decrease* in the Juvenile Workers, comparing 1838 with 1850. He says, —

"Until the period of Factory Legislation, it is well known, that one great object of all alteration and improvement in Machinery, was to enable the Manufacturer to dismiss Men, and to employ in their place Women or Girls, or even Children of the most tender age. In 1833 I have myself seen children of 6 or 7 years of age employed, and was assured that their removal from Factories would inflict a grievous injury on the manufacturing classes, and eventually on the trade of the country. In Silk-Throwing Mills, children of these ages continued to work for 10 hours in each day until the Act of 1844 was passed.

"How far the capital and industry of the District which has been under my inspection, have been injured or crippled in any manner by Factory Legislation and restriction, will be shown by a reference to the increased number of persons employed at each successive period.

"The following are the aggregate numbers for 1845 and 1850, and for two earlier periods: —

| Years - | 1838 | 1843 | 1845 | 1850 |
|---|---|---|---|---|
| Persons employed - | 94,777 | 106,480 | 127,138 | 163,364 |

*Note.* — Increase, 1838 to 1843, 12 per cent.; 1843 to 1845, nearly 20 per cent.; 1845 to 1850, 28·4 per cent.

"It is also worthy of note, that during a portion of the last period, the greatest amount of Restriction ever contemplated, either as to ages or as to hours of work, has been in operation; and making every possible allowance for the period during which the daily working hours of Young Persons and Women were reduced to 11, and then to 10, the power of production has increased beyond that of any other period.

"The tendency, however, of the Factory Act is not to be commended only because it has not interfered with the accumulation of wealth, and the development of the industry of the country.

"A careful examination of the returns will show, that the regulations and restrictions have exercised a very wholesome and satisfactory effect on the proportion of the several Classes of Persons employed; reversing entirely the previous tendency of the Factory System, by encouraging the employment of the Strong and Adult instead of the Young and Weak.

"While the increase in the aggregate numbers employed in 1850, as compared with 1845, has been at the rate of 28·4 per cent., the number of Male Adults has increased in the proportion of 44 per

cent. For the reason I have already stated, I cannot distinguish the number of Women now employed from the number of Female Young Persons; but the aggregate number of all Male persons *above* 13 years of age, and the aggregate number of all Females *above* 13, have been ascertained at both periods, and stand thus: —

| | 1845. | 1850. | Increase. | |
|---|---|---|---|---|
| | | | Number. | Per Cent. |
| Male persons above 13 years of age. | 42,994 | 58,850 | 15,860 | 37· |
| Females above 13 years of age. | 67,606 | 84,121 | 16,515 | 24· |
| | 110,600 | 142,971 | 32,375 | 29·2 |

"An examination of the relative numbers of Male and Female Children shows the number of Boys now employed to be greater than that of Girls; while there has been a considerable increase in the actual numbers employed in both sexes.

| | 1845. | 1850. | Increase. | |
|---|---|---|---|---|
| | | | Number. | Per Cent. |
| | | | | Per Cent. |
| Male Children under 13. | 8,044 | 10,269 | 2,255 | 29·8 |
| Females under 13. | 8,494 | 10,120 | 1,626 | 19·1 |
| | 16,538 | 20,389 | 3,851 | 23·2 |

"Under every division of the subject, the proportionate increase has been that which was most to be desired. The increase is the largest among the Male population, that of Adult men exceeding considerably all others; and while the actual number of Children employed is now larger than ever, the proportionate increase is smaller than that of the elder classes."

Still more decisive testimony of the same kind is borne by Mr. Horner, the Inspector of the Lancashire District, in his Report of 31st October, 1850. He says, —

"In my Report of 30th April, 1850, there is the following sentence: — 'I am happy to be able to give some strong proofs that 'the Ten Hours Act has not been productive of those ruinous con-'sequences to trade which some predicted would inevitably follow, 'and that it has not had the effect of deterring persons from enter-'ing into the business, and investing fresh capital in it, whether in 'building New Mills, or in extending works already existing, from an 'apprehension that ten hours' work could not yield a remunerative 'profit.' The proofs are contained in my Report.

"On the 10th of June, 1850, the House of Commons ordered a Return to be made of various particulars relating to the Factories in the United Kingdom, among others of the Number of Persons Employed, and of the Number of Power-Looms.

"By a comparison of that Return with one of a similar kind in 1836, we obtain additional proofs that the legislative regulation of labour in Factories, which first began to be effective in 1834, has not checked the progress of trade in that great department of our industry, as those who opposed that interference so confidently maintained it must.

I. *Comparison of the Number of Persons Employed in Factories in the United Kingdom in the Years* 1835 *and* 1850.

| | 1835. | 1850. | *Increase.* | *Decrease.* |
|---|---|---|---|---|
| | No. | No. | | |
| Number of *Male* Persons between 13 and 18 years of age. | 47,768 | 67,864 | 20,096 | – |
| Number of *Females above* 13 years of age. | 167,130 | 329,577 | 162,447 | – |
| Number of *Males above* 18 years of age. | 82,336 | 157,866 | 75,530 | – |
| Number of *Boys under* 13 years of age. | 27,715 | 21,137 | – | 6,578 |
| Number of *Girls under* 13 years of age. | 28,378 | 19,638 | – | 8,740 |
| | 353,327 | 596,082 | 258,073 | 15,318 |
| Deduct decrease | - - | - - | 15,318 | |
| *Total Increase* | - - | - - | 242,755 | |

"The increase of the Manufactures is still greater than the above numbers indicate; for the tendency of improvement in Machinery during the last Fifteen Years has been greatly to diminish the amount of manual labour required for the production of many kinds of manufacture in Factories.

"It is to the same improvements in machinery that the decrease in the number of Children is, in great part, to be ascribed. For instance, the owners of a Cotton Mill in Manchester, on the 3rd of October, 1846, were employing 233 Children; but, by a very simple contrivance, they get so much of that work now done by Machinery, that on the 10th of October last they were only employing 89 Children. The only ground of regret that the number of Children employed has decreased is this — that when employed in Factories many are sure to get some education. But the work is done; and if by young persons in preference to children, there is no other cause for regret; for if, of two that are idle, one only can be employed, it is better to set the youth to work than the child.

II. *Comparison of the Number of Power-Looms in the Years* 1835 *and* 1850.

| | 1835. | 1850. | *Increase.* |
|---|---|---|---|
| In Cotton Fabrics - - | 108,632 | 249,627 | 140,995 |
| In Woollen ditto - - | 2,045 | 9,439 | 7,394 |
| In Worsted ditto - - | 3,082 | 32,617 | 29,535 |
| In Flaxen ditto - - | 309 | 1,141 | 832 |
| In Silken ditto - - - | 1,714 | 6,092 | 4,378 |
| Total - - | 115,782 | 298,916 | 183,134 |

"In this case, also, the increase of Looms does not indicate the full extent of increase in the Manufacture, for the *speed* of the Looms has been so greatly accelerated in the last few years, that the number of yards of the same fabric which a Loom will weave in a given time, is now much beyond what it did in 1835.

"I have in several of my former Reports given an account of plans formed, and successfully acted upon, by benevolent Mill-Owners for the moral and social advantages of their Workpeople; and I am happy to avail myself of the opportunity, through the medium of my Reports, to make such instances known to other mill-owners; who having the same disposition to promote the welfare of the people they employ, may gladly follow an example which has been tested by several years of experience, and has been found to produce happy

results. Such an instance was made known to me for the first time on my last visit, two months ago, to the extensive flax-mills of Messrs. Waithman & Co., at Holme, near Burton, in Westmoreland. They are good enough to furnish me with a full description of their institution, and afterwards agree to my request, that I might be permitted to describe it to you in my next Report. The particulars will be found in the Appendix of this Report.

In his Report of 31st October, 1852, and 30th April, 1853, Mr. Howell made the following statements relative to the substitution of the Power-Loom for the Hand-Loom in the Linen Factories of Ireland, and to the extension of manufactures into parts of Ireland south of Ulster.

"In my Report of 5th December, 1850, I had occasion to remark upon the steady progress and thriving condition of the staple manufacture of Ulster. It is my duty now to call your attention to indications not to be mistaken of a great change which appears about to take place in that important branch of manufacture, and which will probably exercise a powerful influence on the social condition of the north of Ireland.

"In his speech of June 14th, 1825, on the Customs Consolidation Bill, Mr. Huskisson remarked of the Linen Manufacture of Ireland, that it was conducted 'by manual labour alone, without the 'intervention of any machinery;' but he added, 'that it was to be 'observed, that a great change was effecting in her Linen Manufac-'ture, for Machinery was now rapidly introducing itself into that 'branch of her trade, and a great proportion of capital was coming 'gradually into circulation in that country.' Although at the time when Mr. Huskisson spoke there may have been some few small Spinning Mills worked by power, the first considerable Spinning Factory was established in 1828, from which date the Linen Manufacture of Ireland steadily advanced, as he had predicted, until it reached the state of prosperity which is described in my Report of 5th December, 1850, when there were in Ireland *sixty-nine* Flax Factories at work: there are now *ninety*, of which two only are south of Dublin. This prosperity, nay, the existence of the manufacture in Ireland, was due to the substitution of machinery for manual labour in the operation of spinning. Circumstances have now arisen which show that if this prosperity is to be maintained, the application of machinery must be still further extended; and it is evident that the general substitution of the Power-Loom for the Hand-Loom cannot much longer be delayed; indeed, I am aware of several instances in which preparations are making for the extended adaptation of the power-loom to the linen manufacture. The adoption of this improvement, which under any circumstances must sooner or later have taken place, is accelerated by different concurrent causes.

"Until the Famine of 1847, manual labour was so cheap, and in fact so redundant, that this question could not arise. The great social improvements wrought by that act of Providence have materially affected the staple manufacture of Ireland, where linen weaving had been chiefly carried on by small farmers, by cottiers, and by labourers, rarely as an independent employment, but usually as auxiliary to the other occupation of the individual. At seed-time and harvest, therefore, the weaver has always a valid reason, and at other times always a plausible excuse, for neglecting his loom and making holiday. Such uncertainty must always be detrimental to the trade in which it exists, and must be more particularly so if that trade be, in any stage of it, dependent upon mechanical power, and consequently on the precision with which each separate department of the manufacture is carried on; for in whatever branch less than the required quantity is produced, the whole operations of the establishment are necessarily deranged in exact proportion to that irregularity. These inconveniences alone would not, perhaps, have caused the manufacturers so soon to turn their attention to the introduction of the power-loom; but other causes have been in operation, for since the loss of the potato a great change has occurred, which has altogether altered the state of the trade. The class of small farmer-weavers is gradually becoming extinct by emigration, which has also extended to the cottiers and labourers, but in a less degree, through lack of means to transport themselves across the Atlantic.

"Hence there has been, concurrently with a great increase in the extent and power of the Spinning Machinery, a great decrease in the actual number of weavers; and this disparity is said to be augmented by the fact that less work is now turned off by those weavers who followed no other occupation, but devoted themselves exclusively to their looms; for that the cheapness of food and of the minor luxuries, as compared with a few years ago (coupled with the increase of wages for weaving, consequent upon the excess of demand over supply, amounting, it is said, to from 20 to 30 per cent. more than the wages of five years ago), has enabled this class of operatives to live as well on the earnings of from four to five days in the week as they were formerly able to do on the entire week's wages. Consequently the manufacture of linen has been checked, not only by the emigration of some, but also by diminished production on the part of others; and the spinning of yarn having been immensely increased, the trade is forced into an anomalous position, for which the introduction of the power-loom becomes the only and unavoidable remedy; the general adoption of which will probably be followed by advantages not less beneficial eventually to the trade, and to the general welfare of Ireland, than those which have already accrued to her, as had been foreseen by Mr. Huskisson, from the substitution of machinery for manual labour in the preliminary process of spinning.

"Although it is stated that there are great difficulties in rendering

this mechanical improvement applicable to the particular manufacture under consideration, I remember many instances in which it had been predicted that similar difficulties would prevent the application of machinery to other branches of manufacturing art, but which difficulties, when the emergency arose, invariably yielded to the skill and ingenuity of the machine-makers, when called forth by the enterprise of the capitalist. Accordingly, I find in the Belfast Linen Trade Circular of the 27th October, 1852, an article which contains the following announcement: — 'It is satisfactory to be 'able to state, that at present four Irish firms are preparing to 'establish Power-Loom Weaving. An enterprising Leeds machine-'making firm have taken premises in Belfast for carrying on the 'manufacture of Power-Looms.' The Linen Trade Circular concludes — 'And it is not unlikely that before long, power-loom 'weaving will be proportionately as extensively applied in Ireland 'to linens as it is in England and Scotland to cottons. That this 'step is becoming imperatively necessary cannot be doubted. The 'two great elements of success in the first linen manufacture have 'been the cheapness of yarns, and the low cost of weaving. Other 'countries have of late years greatly extended their Spinning; and 'there appears to be an inclination on the part of several States to 'withdraw the extreme rates of protection which fostered the in-'fancy of their spinning trade. Thus the price of Yarns is likely 'to be soon brought more on a general level. As to the cheapness 'of Weaving in Ireland, that has been already greatly disturbed by 'recent social changes, while the steady increase of the consumption 'of linens in neutral markets is almost certain to go on in a greater 'ratio than any extension we may be enabled to make in the Irish 'Hand-Loom Weaving. Already this state of things has given 'confidence to our competitors in continental countries, and in-'stances have been noted of foreign linens having lately met some 'descriptions of Irish goods on equal terms in certain export mar-'kets. It behoves the Irish linen trade, therefore, to meet this 'emergency, and by an energetic attempt to introduce the power-'loom, to aim at maintaining this national branch of industry in-'tact.'"

The following is the passage from Mr. Howell's Report of 31st April, 1853.

"The Manufacturing Districts of Ireland have been equally thriving during the last half-year. The rise in the Wages of Hand-Loom Weavers, and the other causes enumerated in my last Report, continue to urge forward the introduction of Power-Looms, which are now rapidly extending themselves in Ulster, and which will probably at no distant period be universally adopted in the staple manufacture of that province, more particularly as by recent improvements they are found to be adapted to 'numbers,' for which at one time they were thought to be wholly unsuitable. It is at the

same time satisfactory to notice, that the extensive emigration from Ireland of that class of small farmers who were accustomed to eke out the profits of their tillage by labour at the loom, while on the one hand it stimulates the introduction of the power-loom, on the other assures us that the adoption of that mechanical improvement will not in Ireland be accompanied by the same distress which befel the hand-loom weavers in Great Britain, who, when displaced by the power-loom, having no other employment, were helpless.

"In Flax Spinning, the increase of machinery, which has been so great during the last ten years, was steadily maintained in 1852.

"This branch of manufacture is now extending itself to districts of Ireland remote from the province in which it has hitherto been, with few exceptions, concentrated. There are two New Mills now building; one at Limerick, and the other at Ballyshannon; the former to hold 12,000, and the latter 6,000 spindles. 'These attempts,' as the Belfast Linen Trade Circular justly remarks, 'to establish flax-'spinning in districts where water-power is abundant, labour cheap, 'and the climate and soil capable of producing the raw material to a 'very large extent, but where, on the other hand, the aptitude of the 'population for factory employment has yet to be ascertained, and 'where the yarns produced must, for a time at least, bear the cost of 'transport to the weaving districts, are to be regarded with con-'siderable interest in a national point of view.'

"The Municipal Corporation of the borough of Belfast has recently set a very laudable example to other manufacturing towns, by the institution of a minute house-to-house visitation and inspection of the dwellings of the Working Classes, and a careful examination of the local sources of disease within that borough, with a view to improving the health and prolonging the lives of the humbler classes; and a very able report on the sanitary condition of the borough has recently been presented to the municipal corporation by Dr. Samuel Browne, their medical officer of health, by whom these investigations were carried on, by whom many valuable suggestions have been made for sanitary reforms, the adoption of which would be in the highest degree beneficial to the factory and other operatives of that populous and rapidly increasing community."

The Report of 31st October, 1853, reported further progress in the adoption of the Power-Loom. Mr. Howell says, —

"In my Report for the half-year ended 31st October, 1852, I announced the probable introduction of the Power-Loom into the Linen Manufacture of Ireland.

"Since that period the power-loom has been actually applied to the linen manufacture in several instances, and preparations appear to be making in all quarters for its general adoption by the trade, in order that the power of manufacturing yarn into cloth may be commensurate with the power of spinning flax into yarn, the hand-loom being unable to keep pace with the enormous production of the spinning

factories, for the reasons set forth in my Report of October, 1852, p. 35."

The following extract from Mr. Redgrave's Report of 31st October, 1854, suggests a striking feature of the rapid growth of the Worsted Manufacture at Bradford between 1835 and 1854. He says,—

"Bradford, in Yorkshire, had been for some time a Manufacturing Town of considerable importance, but it was not until a comparatively recent period that it attained so prominent a position as the seat of the Worsted Manufacture in England; and it is only twenty years since the introduction of Cotton Warps in the manufacture of Worsted Goods, which, by lessening the cost to the consumer without depriving the manufactured articles of many good qualities, gave a great impulse to the Worsted District of Yorkshire. The capabilities of the Factories at Bradford have now become enormous; and although all modern improvements in machinery tend to lessen the employment of manual labour in attending upon the various processes, the erection of factories and of new machinery has exceeded the effects of improvements, and the Manufacturing Population has increased at an extraordinary rate, that could not be supplied but by large importations from other districts, and from Ireland.

* * * *

"The total number of persons employed in the Worsted Factories at Bradford increased, from 1835 to 1854, 380 per cent. But the proportion of Adults and Youths has materially altered. Adults have increased 700 per cent., while those Under 18 have only increased 221 per cent. In 1835 the proportion of Youths to the total number employed was 66 per cent., now it is 44 per cent.; and it may be fairly assumed, that the restrictions of labour gradually introduced by the successive Factories Regulation Acts, have not been without their effect in restoring the Adult to his proper sphere. Another satisfactory result is, that the proportion of Females to Males, which was, in 1839, at the rate of 77 per cent. of the whole number employed, and had much increased upon the proportion of 1835, has fallen to 73 per cent."

I may very opportunely conclude these extracts with a statement furnished to Mr. Horner by Mr. James Nasmyth, of Patricroft, whose name is so eminent as a practical engineer, of some of the inventions and improvements by means of which, during the last few years, the Working Capacity of Factories, both Old and New, has been enormously increased.

The picture drawn by Mr. Nasmyth of Engines driven at higher speed; of Boilers augmented in Capacity; of Fuel saved; and of Invention constantly on the rack to discover new

secrets for cheapening production; — contains an important warning against the hasty reception of views which involve the assumption in almost any form, that we have already exhausted the means of increasing the Gross Produce of our Manufactories.

The extract is taken from Mr. Horner's Report of 31st October, 1852. He says: —

"But the returns, however great may be the increase they indicate, by no means give the whole; for there is a large and very fertile source of increased production, of which it would be very difficult to obtain any account. I allude to the modern improvements in Steam Engines, by which old engines, and even new engines, are made to do an *amount of work far beyond* their nominal horse-power, *and to an extent formerly* believed to be *impossible.*

"I sought information on this subject from my friend Mr. James Nasmyth, of Patricroft, near Manchester, the eminent Civil Engineer, knowing that I could not apply to any one on whose authority greater reliance could be placed; and he was good enough to draw up for me the following interesting and valuable statement, which he sends to me from Bridgewater Foundry, Patricroft, under date of 6th November, 1852.

"'These high-pressure times must be allowed to plead my excuse 'for being so long in sending you the remarks I promised on the sub-'ject of changes in the system of working the steam engines of this 'district. The public are little aware of the vast increase in *Driving* 'Power which has been obtained by such changes of system and 'improvements as I allude to. The engine power of this district 'lay under the incubus of timid and prejudiced traditions for nearly 'forty years, but now we are happily emancipated.

"'During the last fifteen years, but more especially in the course of 'the last four years, some very important changes have taken place in 'the system of working Condensing Steam Engines, such as are 'employed in the various Cotton Mills and other establishments in 'connection with the textile manufactures of Lancashire, Cheshire, 'and Yorkshire.

"'The result of such changes in the system of working the engines 'in question has been to realise a much greater amount of duty or 'work performed by the identical engines, and that again at a very 'considerable reduction in the expenditure of fuel. These important 'results have been attained by the means I am about to describe.

"'For a great many years after the introduction of steam-power 'into the Mills and Manufactories of the above-named districts, the 'velocity at which it was considered proper to work Condensing 'Steam Engines was about 220 feet per minute of the piston; that 'is to say, an engine with a 5 feet stroke was restricted by 'rule' 'to make 22 revolutions of the crank-shaft per minute. Beyond 'this speed it was not considered prudent or desirable to work the

'engine; and as all the mill gearing (especially the first motion 'wheels) were made suitable to this 220 feet per minute speed of 'piston, this slow and absurdly restricted velocity ruled the working 'of such engines for many years.

"'However, at length, either through fortunate ignorance of the '"rule," or by better reasons on the part of some bold innovator, a 'Greater Speed was tried, and as the result was highly favourable, 'others followed the example, by, as it is termed, "letting the engine 'away," namely, by so modifying the proportions of the first motion 'wheels of the mill gearing as to permit the engine to run at 300 feet 'and upwards per minute, while the mill gearing generally was kept 'at its former speed, as best suited to the requirements of the work. 'The very decided advantages which were found to result from this '"letting the engine away," namely, allowing it to run at as high a 'speed as kept within the bounds of safety in respect to strength of 'the rim of the fly-wheel, has led to the almost universal "speeding" 'of engines, because it was proved that not only was there available 'power gained from the identical engines, but also as the higher 'velocity of the engine yielded a greater momentum in the fly-wheel, 'the motion was found to be much more regular.

"'To those who are not practically acquainted with the subject 'it may appear somewhat strange that we should obtain more *power* 'from a Steam Engine by simply permitting its piston to move at a 'higher velocity (pressure of steam and vacuum in the condenser 'remaining the same). I shall endeavour to explain how such *gain* '*of power* results from "speeding" an engine. Thus, for example, 'suppose any given engine yields 40-horse power when its piston is 'travelling at 200 feet per minute, if by suitable arrangement or 'modification we can permit this same engine to run at such a speed 'as that its piston will travel through space at 400 feet per minute '(pressure of steam and vacuum, as before said, remaining the same), 'we shall then have just *double* the power exerted by such an engine 'at 400 feet per minute to what we had when it was restricted to '200 feet; and as the pressure by steam and vacuum is the same in 'both cases, the strain upon the parts of this engine will be no greater 'at 400 than at 200 feet speed of piston, so that the risk of "break-'down" does not materially increase with the increase of speed. All 'the difference is, that we shall in such case consume steam at a 'rate proportioned to the speed of piston, or nearly so; and there will 'be some *small* increase in the wear and tear of "the brasses" or 'rubbing-parts, but so slight as to be scarcely worth notice.

"'As before said, as soon as it was clearly proved by such ex-'amples that by simply "letting the engine away" at a higher speed 'the amount of work which the identical engine was capable of per-'forming increased in proportion, "speeding engines" became almost 'general, and the traditional 220 feet speed of piston became a matter 'of history.

"'But as, in order to obtain increase of power from the same 'engine by permitting its piston to travel at a higher velocity, it is

'requisite that we supply steam to such an engine in somewhat the 'same ratio as the increase in the velocity of its piston, it became 'requisite either to "fire up harder," that is, burn more coal per hour 'under the same boiler, or employ boilers of greater evaporating capa-'bilities, *i. e.*, greater steam-generating powers. This accordingly 'was done, and boilers of greater steam-generating or water-evaporat-'ing powers were supplied to the old "speeded" engines, and in many 'cases near 100 per cent. more work was got out of *the identical en-'gines* by means of such changes as above named.

"'About ten years ago the extraordinary economical production of 'power as realised by the engines employed in the Mining Operations 'of Cornwall began to attract attention; and as competition in the 'Spinning Trade forced manufacturers to look to "savings" as the 'chief source of profits, the remarkable difference in the consumption 'of coal per horse-power per hour, as indicated by the performance of 'the Cornish pumping and crank engines, as also the extraordinary 'economical performance of Woolf's Double Cylinder Engines, be-'gan to attract increased attention to the subject of economy of fuel 'in this district; and as the Cornish and double cylinder engines gave 'a horse-power for every 3½ to 4 pounds of coal per hour, while the 'generality of Cotton Mill Engines were consuming 8 or 12 pounds 'per horse per hour, so remarkable a difference induced millowners 'and engine-makers in this district to endeavour to realise, by the 'adoption of similar means, such extraordinary economical results as 'were proved to be common in Cornwall and France, where the high 'price of coal had compelled manufacturers to look more sharply to 'such costly departments of their establishments.

"'The result of this increased attention to Economy of Fuel has 'been most important in many respects. In the first place, many 'boilers, the half of whose surface had been in the good old times 'of high profits left exposed quite naked to the cold air, began to 'get covered with thick blankets of felt, and brick and plaster, and 'other modes and means whereby to prevent the escape of that heat 'from their exposed surface which had cost so much fuel to main-'tain. Steam pipes began to be "protected" in the same manner, 'and the outside of the cylinder of the engine felted and cased in with 'wood in like manner.

"'Next came the use of "High Steam," namely, instead of 'having the safety-valve loaded so as to blow off at 4, 6, or 8 lbs. 'to the square inch, it was found that by raising the pressure to '14 or 20 lbs., and admitting only a fraction of a cylinder full, a 'very decided economy of fuel resulted; in other words, the work 'of the mill was performed by a very notable reduced consumption 'of coals; and so "lapped valves" and "cut off" apparatus became 'quite the rage, and those who had the means and the boldness 'carried the increased pressure and "expansion system" of working 'to the full extent, by employing properly constructed boilers to 'supply steam of 30, 40, 50, 60, and 70 lbs. to the square inch; 'pressures which would have frightened an engineer of the old school

'out of his wits. But as the economic results of so increasing the 'pressure of steam as to work expansively soon appeared in most un-'mistakable £ s. d. forms, the use of High-Pressure Steam Boilers 'for working condensing engines became almost general. And those 'who desired to go to the full extent in the introduction of such con-'sumption-of-fuel-reducing arrangements soon adopted the employ-'ment of the Woolf Engine in its full integrity; and most of our mills 'lately built are worked by the Woolf Engines, namely, those on 'which there are two cylinders to each engine, in one of which the 'high-pressure steam from the boiler exerts or yields power by its 'excess of pressure over that of the atmosphere, which, instead of 'the said high-pressure steam being let pass off at the end of each 'stroke free into the atmosphere, is caused to pass into a low-pres-'sure cylinder of about four times the area of the former, and after 'due expansion passes to the condenser. The economic result obtained 'from engines of this class is such that the consumption of fuel is 'at the rate of from 3½ to 4 lbs. of coal per horse per hour; while 'in the engines of the old system the consumption used to be on the 'average from 12 to 14 lbs. per horse per hour

"'By an ingenious arrangement, the Woolf System of double 'cylinder or combined low and high pressure engine has been in-'troduced extensively to already existing engines, whereby their 'performance has been increased both as to power and economy of 'fuel.

"'The same result, and by nearly the same means, has been in 'use these eight or ten years, by having a high-pressure engine 'so connected with a condensing engine as to enable the waste 'steam of the former to pass on to and work the latter. This 'system is in many cases very convenient, and is in pretty extensive 'employment.

"'It would not be very easy to get an exact return as to the 'increase of performance or work done by the identical engines to 'which some or all of these improvements have been applied; I am 'confident, however, that could we obtain an exact return, the result 'would show, that from the same weight of steam-engine machinery 'we are now obtaining at least *50 per cent.* more duty or work per-'formed on the average, and that, as before said, in many cases, the 'identical steam engines which in the days of the restricted speed of '220 feet per minute yielded 50-horse power, are now yielding 'upwards of 100.

"'The very economical results derived from the employment of 'High Pressure Steam in working condensing steam engines, to-'gether with the much higher power required by mill extensions 'from the same engines, has within the last three years led to the 'adoption of Tubular Boilers, in place of the simple waggon-shaped 'and cylindrical boilers, the tubular boilers yielding a much more 'economical result than those formerly employed in generating steam 'for mill engines.'"

# APPENDIX IX.

ABSTRACTS AND STATEMENTS, ILLUSTRATIVE OF THE OPERATIONS OF THE BANK OF ENGLAND DURING THE PERIOD FROM 1844 TO 1856.

(1.) *Bank of England Returns under the Bank Charter Act of* 1844, *or from the Commencement of the Operation of that Act, on 1st September,* 1844, *to November,* 1856.

THE Bank Charter Act of 1844 (7 & 8 Vict. cap. 32; 19th July, 1844) introduced a material change into the form and arrangements under which the periodical statements of the position of the Bank of England had been officially published under the Charter of 1832.

In place of the Quarterly Summary, comprising not more than six entries on the whole, required by the law of 1832, the Act of 1844 provided a Form of Account containing altogether fourteen entries; and directed that a Return in that form should be made up on every Saturday evening, and be published in the London Gazette of the following week. It is not necessary in this place to do more than refer to the statutory separation first introduced by the Act of 1844, between the Department of Issue and that of Banking. It will be sufficient to say, that one of the principal objects of the frequent publication of the form of account prescribed, was to keep prominently before the public the progressive changes in the position of the Two Departments.

Since the 1st September, 1844, therefore, there have been, and there are now, Weekly Publications in each Friday's *Gazette* of the condition of the Bank on the preceding Saturday Evening.

Now, for the purposes of a tabular record, in a convenient form, of the monthly state of the Bank through a series of

years, a reprint in columns of all the figures of the weekly returns would be not only cumbersome and bewildering, but would contain a great many entries not at all essential to any general view. It would be subject also to the serious objection of not corresponding with the returns of the Bank under the Old Form, that is, under the form in use prior to 1844.

It is the object of the following Table to avoid both these inconveniences; and to present an accurate view of the Monthly State of the Bank since September, 1844, in a shape free from needless figures; and also in a shape which admits of being readily used in continuation of the Returns *prior* to 1844. The Table now inserted is in truth no more than a printed copy of a record which has been written up week by week, and kept for purposes of business, as practically the most concise and satisfactory form in which to have constantly at hand the Bank Returns.

It will be necessary, however, to explain the construction of the columns of the Table; and this will be best done by inserting here a literal copy of one of the Accounts published in the London Gazette, and showing in what manner the columns of the Table are filled up, from the figures contained in that account.

I will take, then, the account of 6th July, 1850; and any other date would answer the purpose equally well.

The following is the extract from the *Gazette*.

FROM THE LONDON GAZETTE, 12TH JULY, 1850.

BANK OF ENGLAND. — *An Account pursuant to the Act* 7 & 8 *Victoria, cap.* 32., *for the Week ending Saturday,* 6*th July,* 1850.

ISSUE DEPARTMENT.

| | £ | | £ |
|---|---|---|---|
| 1. Notes issued | 30,152,515 | 2. Government Debt | 11,015,100 |
| | | 3. Other Securities | 2,984,900 |
| | | 4. Gold Coin and Bullion | 15,928,057 |
| | | 5. Silver Bullion | 224,458 |
| | 30,152,515 | | 30,152,515 |

BANKING DEPARTMENT.

| | £ | | |
|---|---|---|---|
| 6. Proprietor's Capital | 14,553,000 | 11. Government Securities, including Dead Weight Annuity | 14,374,908 |
| 7. Rest | 3,089,916 | 12. Other Securities | 11,943,840 |
| 8. Public Deposits (including Exchequer, Savings' Banks, Commissioners of National Debt and Dividend Account) | 9,564,513 | 13. Notes | 10,695,955 |
| 9. Other Deposits | 9,273,018 | 14. Gold and Silver Coin | 716,093 |
| 10. Seven Day and other Bills | 1,250,349 | | |
| | 37,730,796 | | 37,730,796 |

Dated 11 July, 1850.

The figures of this Account, stated in the form of the Table in this Appendix, would stand thus: —

LIABILITIES.

| | | | |
|---|---|---|---|
| 15. Circulation, including Bank Post Bills | | | 20·71 |
| 16. Deposits — Public | 9·56 | | |
| 17. „ Private | 9·27 | | |
| | | 18·83 | |
| 18. Rest | | 3·09 | |
| | | 42·63 | |

ASSETS.

| | | | |
|---|---|---|---|
| 19. Securities — Public | 14·37 | | |
| 20. „ Private | 11·39 | | |
| | | 25·76 | |
| 21. Bullion — Banking Department | 11·41 | | |
| 22. „ Issue Department | 5·46 | | |
| | | 16·87 | |
| | | 42·63 | |

An explanation of the processes employed in arriving at these results is given in the following note, viz.: —

*Note.* — The item above, — "Circulation, including Bank Post Bills" (15)—is obtained as follows:—

| | |
|---|---|
| "Notes issued" (1) - - - - | 30·15 |
| Less "Notes in Banking Dept." (13) - | 10·69 |
| | 19·46 |
| Add "Seven Day Bills" (10) - - | 1·25 |
| Notes in the hands of the Public - - | 20·71 |

The "Deposits, Public" (16) correspond of course with the same item (8) in the *Gazette* account; and the same remark applies to "Deposits, Private" (17) as corresponding with (9).

The "Securities, Public" (19) are obtained as follows:—

| | |
|---|---|
| Government Debt (2) - - - | 11·01 |
| Other Securities (3) - - - - | 2·98 |
| Government Securities (11) - - - | 14·37 |
| Other Securities (12) - - - - | 11·94 |
| | 40·31 |
| Less Proprietors' Capital (6) - - | 14·55 |
| Total Advances on Securities - - | 25·76 |
| Of which were Government Securities - | 14·37 |
| Leaving as *Private* Securities - - | 11·39 |

It will be seen that, while the Bank is authorised to issue Notes to the extent of 14,000,000*l.* only upon Securities (composed of 11·01 Government Debt (2) and 2·99 other Securities (3)), the sum due to the Proprietors for Capital is 14,553,000*l.* (6); and hence 25,760,000*l.* is the real amount of Securities in hand after allowance has been made for the Proprietors' Capital.

The "Bullion in the Banking Department" (21) is obtained by adding together the

| | |
|---|---|
| Notes in Banking Dept. (13) - - | 10·69 |
| Gold and Silver Coin (14) - - - | ·72 |
| Making | 11·41 |

And the "Bullion in the Issue Department" is obtained thus:—

| | |
|---|---|
| Gold Coin and Bullion, Issue Dept. (4) - | 15·93 |
| Silver Bullion (5) - - - - | ·23 |
| | 16·16 |
| Less as above - - - - - | 11·41 |
| Leaving | 5·45 |

This is a correct mode of stating the Cash Reserve of the two Departments; for, as to the real fact, the Notes held in the drawers of the Banking Department are merely vouchers, as a matter of convenience, for a corresponding amount of Gold held by the other division of the Bank. The Total Stock of Bullion is cut in two, and the figures represent the magnitude of each of the parts.

The statement of Account, as now given, remained in use from the passing of the Act in 1844, to the 7th Dec. 1855.

A clause in the Act of 1844 provides, that when any Private or Joint Stock Banks, empowered to issue in 1844, shall, subsequent to 1844, lose, from any cause, the privilege of issue, it shall be competent to the Queen in Council to add an amount, equal to two-thirds of the total of the Circulation so lapsed, to "the amount of Securities in the *Issue* Department of the Bank "of England, and to extend the issue" of Bank of England Notes accordingly.

In Dec. 1855, the Lapsed Circulation of 47 Private and Joint Stock Banks, which had retired or failed since 1844, was 712,623*l.*; and an Order in Council of 7th Dec. 1855, added 475,000*l.* (that is, two-thirds of the lapsed amount) to the available means of the Issue Department. Hence, after the 7th Dec. 1856, the Securities in the Issue Department would be modified as follows, viz.:

| Issue Department. | Before 7 Dec. '56. | After 7 Dec. '56. |
|---|---|---|
| (2.) Govt. Debt - | 11,015,100 - | 11,015,100 |
| (3.) Other Securities | 2,984,900 - | 3,459,900 |
| | £14,000,000 | £14,475,000 |

and the effect of this introduction of the 475,900*l.* was, and is, to transfer that amount technically in the form of Bank Notes, but substantially in the form of Bullion, to the credit of the Banking Department, to be there held as an addition to the Banking Reserve, or to be advanced on securities.

In the Table appended, due attention has been paid to the alteration introduced on 7th *Dec.* 1855, as stated above.

The explanation now given will prevent any difficulty in the use of the Table about to be introduced, and it is only necessary to add, that the figures in that Table represent the *Average for each Calendar Month of the Weekly Accounts* published

in the London Gazette. To have inserted each Weekly Account would have been cumbersome and perplexing. When questions arise rendering necessary great minuteness of statistics, recourse must be had to the Parliamentary Papers themselves.

In addition to the columns of figures relating to the Bank, there are three supplemental columns.

The first of these gives the Rate of Discount on London First Class Bills; the second the Price of Consols during the month; and the third the alteration in the Minimum rates of Discount at the Bank of England. The two last of these columns are mere abstracts of matters of fact, the subject of specific record. The first—the Rate of Discount on First Class Bills—has been framed with care, and may be taken as substantially accurate.

In connection with the rate of Discount on First Class Bills in London, I am glad to avail myself of the opportunity of inserting, in this appropriate place, a Table published by Mr. Joplin, in his pamphlet of 1844, "On Sir Robert Peel's Currency Bill," and there described by him as compiled by the permission of Messrs. Overend, Gurney, and Co., from records in their office, of actual discount transactions on the first day of each month since January, 1824.

Under such circumstances the statement may be regarded as an historical Paper of considerable interest and value. It is as follows:—

RATE

*Rate of Discount, per Cent. per Annum, on First Class Mercantile, as ascertained by Records of actual Transactions in the Books of Messrs. Overend, Gurney, and Co., on the First Day of each Month, from January, 1824, to September, 1844, and continued to end of 1845. (Extracted from Mr. Joplin's Pamphlet of 1844.)*

| Months. | 1824 | '25. | '26. | '27. | '28. | '29 | '30. | '31. | '32. | '33. | '34. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | pr. ct. | pr. ct. | pr. ct. | pr. ct. | pr. ct. | pr. ct. | pr. ct. | pr. ct. | pr. ct. | pr. ct. | pr. ct. |
| Janry - - | 3½ | 3½ | 5 | 4 | 3 | 4 | 3 | 3¼ | 4 | 2¾ | 3½ |
| Febry - - | „ | „ | „ | 3½ | „ | 3½ | „ | 3 | 3½ | 2½ | 3 |
| March - - | „ | „ | „ | „ | „ | „ | 2¾ | 3½ | 3¼ | 2¼ | 2¾ |
| April - - | „ | „ | „ | „ | „ | 4 | „ | „ | „ | „ | 3 |
| May - - | „ | „ | „ | „ | „ | 3½ | 2½ | 4 | „ | 2½ | 3¼ |
| June - - | „ | 4 | 4½ | 3 | „ | „ | „ | „ | „ | „ | „ |
| July - - | „ | „ | „ | „ | „ | „ | „ | „ | 3 | „ | „ |
| Augst - - | „ | „ | 4 | „ | „ | 3 | „ | 3½ | „ | „ | „ |
| Septbr - - | „ | „ | „ | „ | „ | „ | „ | „ | „ | 3 | 4 |
| Octbr - - | „ | „ | „ | „ | „ | „ | 2¾ | 4 | 2¾ | „ | 3¾ |
| Novbr - - | „ | 4½ | „ | „ | „ | „ | 3 | „ | „ | 3½ | „ |
| Decbr - - | „ | 5 | „ | „ | 3½ | „ | 4 | „ | „ | „ | „ |

| Months. | 1835 | '36. | '37. | '38. | '39. | '40. | '41. | '42. | '43. | '44. | '45. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Janry - - | 3¾ | 3¾ | 5½ | 3½ | 3¾ | 6 | 5½ | 4¾ | 2½ | 2¼ | 2½ |
| Febry - - | 3¼ | „ | „ | 3 | „ | 4¾ | 5 | 4½ | 2¼ | 2 | „ |
| March - - | 3½ | 3½ | „ | „ | „ | „ | „ | 3¾ | 2 | „ | „ |
| April - - | 3¾ | 3¼ | „ | 2¾ | „ | „ | 4½ | „ | „ | „ | „ |
| May - - | „ | „ | 4½ | 2½ | 4 | 4¼ | „ | 3¼ | „ | 1¾ | „ |
| June - - | 4 | 4 | „ | 2¾ | 5 | 4¾ | 5 | 3½ | 2¼ | 2 | „ |
| July - - | „ | „ | „ | 3 | 5½ | 4½ | 4½ | 3¼ | 2½ | „ | „ |
| Augst - - | 3½ | 4½ | 4 | 2¾ | 6 | „ | „ | 3 | 2 | 1¾ | „ |
| Septbr - - | 3¾ | 5 | 3½ | 3 | 6½ | 4¾ | 4¾ | 2½ | 2¼ | 2 | „ |
| Octbr - - | „ | „ | „ | „ | „ | 5 | 5 | 2¾ | „ | 2¼ | 3 |
| Novbr - - | „ | 5½ | 3¼ | 3¼ | „ | 6 | 5½ | 2½ | „ | 2¾ | 3½ |
| Decbr - - | „ | „ | 3½ | 3½ | „ | 5¾ | 5 | „ | 2½ | „ | „ |

*BANK OF ENGLAND RETURNS from Sept.* 1844, *to Nov.* 1856; *or for the entire Period which has elapsed to that date, since the* BANK CHARTER *Act of* 1844 (7 & 8 *Vict. cap.* 32.; 19*th July,* 1844) *came into operation on* 1*st Sept.* 1844; *stated in* AVERAGES *for each* CALENDAR MONTH, *deduced from the form of* WEEKLY ACCOUNT *published in the* LONDON GAZETTE. — *With supplementary Columns of the* RATE OF DISCOUNT *in London on First Class Bills; of the* PRICE OF CONSOLS; *and of the* MINIMUM RATE OF DISCOUNT *at the* BANK OF ENGLAND.

[In the following Table the *Four* Figures at the *unit* end of each amount are omitted: — Thus, 20.91 represents 20,910,000*l.*; or what is the same thing, the amounts are given in Millions and Decimals of Millions. And in order to mark as distinctly as possible the variation of the Million Integers, it will be seen that recurrence of the *same* million integer is indicated by a point merely.]

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| MONTHS. | LIABILITIES. | | | | | Total of *Liabilities* and *Assets* respectively. | SECU- |
| | Circulation including B. P. Bills. | DEPOSITS. | | | REST. | | |
| | | Public. | *Private.* | TOTAL. | | | Public. |
| **1844.** | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. |
| Septbr - | 20.91 | 4.84 | 8.47 | 12.81 | 3.56 | 37·79 | 14.55 |
| Octbr - - | 23.60 | 5.47 | . 31 | 13.73 | . 20 | 38.75 | 15.49 |
| Novbr - | 21.38 | 4.21 | . 27 | 12.47 | . 14 | 36·90 | 14.01 |
| Decbr - - | 20.25 | 6.66 | . 35 | 15.01 | . 11 | 38.38 | 13.54 |

| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|
| ASSETS. | | | | | MONEY MARKET. | | | |
| RITIES. | | BULLION. | | | Market Rate on First class Bills. | Price of Consols. | Bank of England Minimum Rate. | MONTHS. |
| *Private.* | TOTAL. | *Banking* dept. | Issue. dept. | TOTAL. | | | | |
| Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | P. ct. p. an. | | P. ct. p. an. | **1844.** |
| 8.09 | 22.64 | 9.26 | 6.14 | 15 15 | 2 | 98–99 | 2½. 5 Sep. | Septbr |
| . 90 | 24.40 | 7.66 | . 69 | 14·35 | 2¼ | 100–1 | „ | Octbr |
| · 62 | 22.64 | . 88 | . 38 | . 26 | 2¾ | „ | „ | Novbr |
| 10.02 | 23.55 | 9·55 | 5.27 | . 82 | „ | „ | „ | Decbr |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Months. | LIABILITIES. | | | | | Total of *Liabilities* and *Assets* respectively. | Secu- |
| | Circulation including B. P. Bills. | Deposits. | | | Rest. | | |
| | | Public. | *Private.* | Total. | | | Public. |
| **1845.** | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. |
| Janry - - | 21.37 | 4.34 | 8.58 | 12.92 | 3.18 | 37.49 | 13.85 |
| Febry - - | . 25 | . 11 | 9.58 | 13.69 | . 29 | 38.22 | . 50 |
| March - - | 20.72 | 6.40 | 10.37 | 16.77 | . 58 | 41.07 | . 49 |
| April - - | 22.07 | 4.28 | 11.12 | 15.41 | . 27 | 40.75 | 14.25 |
| May - - | 21.85 | . 17 | 10.33 | 14.50 | . 18 | 39.53 | 13.45 |
| June - - | . 25 | 6.59 | . 29 | 16.88 | . 14 | 41.25 | 10.38 |
| July - - | 22.36 | 4.14 | . 77 | 14.90 | . 23 | 40.53 | 13.54 |
| Augst - | . 51 | . 69 | 9.42 | . 11 | . 39 | . 02 | . 35 |
| Septbr - | 21.53 | 7.70 | 8.25 | 15.95 | . 61 | 41.09 | . 37 |
| Octbr - - | 22.74 | 6.57 | . 85 | . 42 | . 30 | . 46 | . 27 |
| Novbr - | . 50 | . 31 | 9.03 | . 34 | . 24 | . 05 | . 20 |
| Decbr - | 21.12 | 8.97 | 8.82 | 17.80 | . 22 | 42.14 | . 20 |
| **1846.** | | | | | | | |
| Janry - - | 21.98 | 5.62 | 12.30 | 17.92 | 3.34 | 43.25 | 13 14 |
| Febry - - | . 11 | . 82 | 18.41 | 24.23 | . 52 | 48.87 | . 13 |
| March - - | 20.34 | 6.92 | 17.44 | . 36 | . 77 | . 48 | . 13 |
| April - - | 21.28 | 4.29 | . 38 | 21.67 | . 47 | 46.42 | . 76 |
| May - - | 20.97 | 3.95 | 16.30 | 20.24 | . 40 | 44.80 | . 06 |
| June - - | . 45 | 6.85 | 15.44 | 22.29 | . 39 | 46.14 | . 01 |
| July - - | 21.59 | 4.47 | 14.82 | 19.28 | . 48 | 44.35 | 12.97 |
| Augst - | . 37 | 5.78 | 11.19 | 16.96 | . 60 | 41.93 | . 96 |
| Septbr - | 20.99 | 8.51 | 8.31 | . 80 | . 87 | . 67 | . 96 |
| Octbr - | 22.04 | 6.88 | . 62 | 15.50 | . 52 | . 12 | . 87 |
| Novbr - | 21.36 | 7.13 | . 02 | . 19 | . 54 | 40.03 | . 81 |
| Decbr - | 20.59 | 9.50 | 7.90 | 17.39 | . 44 | 41.42 | . 81 |

| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|
| ASSETS. | | | | | MONEY MARKET. | | | |
| RITIES. | | BULLION. | | | Market Rate on First class Bills. | Price of Consols. | Bank of England Minimum Rate. | MONTHS. |
| *Private.* | TOTAL. | *Banking* dept. | Issue dept. | TOTAL. | | | | |
| Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | P. ct. p. an. | | P. ct. p. an. | **1845.** |
| 8.85 | 22.70 | 8.46 | 6.33 | 14.79 | 2½ | 100 | 2½. 5 Sep. | Janry |
| 9.28 | 23.03 | .99 | .21 | 15.20 | „ | 99–100 | „ | Febry |
| 11.63 | 25.12 | 10.22 | 5.73 | .95 | 2¾ | 99½–100 | „ | March |
| 10.58 | 24.83 | 8.96 | 6.96 | .92 | „ | 99–100 | „ | April |
| .01 | 23.46 | 9.29 | .78 | 16.07 | „ | 98–9 | „ | May |
| 11.90 | 24.67 | 10.35 | .23 | .58 | „ | 99–100 | „ | June |
| 10.86 | .40 | 9.39 | .74 | .14 | „ | 98–9 | „ | July |
| 11.01 | .36 | 8.32 | 7.33 | 15.65 | 3 | „ | „ | Augst |
| 12.39 | 25.76 | .79 | 6.53 | .33 | 2¾ | „ | „ | Septbr |
| 13.94 | 27.22 | 6.77 | 7.47 | 14.24 | 3 | 97–8 | **3.** 16 Oct. | Octbr |
| 14.25 | .45 | .17 | .42 | 13.59 | 3½ | 95–7 | 3½. 6 Nov. | Novbr |
| 15.68 | 28.88 | 7.09 | 6.16 | .26 | 4½ | 95–3 | „ | Decbr |
| | | | | | | | | **1846.** |
| 16.88 | 30.03 | 6.24 | 6.98 | 13.22 | 4 | 95–3 | 3½. 6 Nov. '45. | Janry |
| 22.18 | 35.31 | 7.39 | .17 | .55 | 5 | 94–7 | „ | Febry |
| 21.46 | 34.59 | 8.46 | 5.43 | .89 | 4½ | 95–6 | „ | March |
| 18.97 | 32.74 | 7.37 | 6.31 | .68 | 4 | „ | „ | April |
| 17.56 | 30.62 | 8.00 | .17 | 14.18 | „ | „ | „ | May |
| .61 | .63 | 9.90 | 5.61 | 15.51 | „ | 95–7 | „ | June |
| 15.51 | 28.48 | .22 | 6.66 | .88 | 3¾ | 95–6 | „ | July |
| 12.91 | 25.87 | .61 | .45 | 16.07 | „ | „ | **3.** 27 Aug. '46. | Augst |
| .43 | .39 | 10.20 | .09 | .29 | 3 | „ | „ | Septbr |
| 13.00 | .88 | 8.18 | .86 | 15.25 | „ | 94–5½ | „ | Octbr |
| 12.32 | .15 | .48 | .40 | 14.88 | 3¼ | 94–5 | „ | Novbr |
| 13.51 | 26.33 | 9.38 | 5.71 | 15.10 | 3½–4 | „ | „ | Decbr |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Months. | LIABILITIES. | | | | | Total of *Liabilities* and *Assets* respectively. | Secu- |
| | Circulation including B. P. Bills. | Deposits. | | | Rest. | | Public. |
| | | Public. | *Private.* | Total. | | | |
| **1847.** | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. |
| Janry - - | 21.48 | 6.00 | 9.61 | 17.61 | 3.55 | 40.43 | 12.76 |
| Febry - - | 20.41 | 5.44 | . 16 | 14.61 | . 72 | 38.74 | . 10 |
| March - - | 20.08 | 6.59 | . 54 | 16.13 | . 96 | 40.19 | 11.99 |
| April - - | 21.01 | 4.15 | . 97 | 14.12 | . 54 | 38.69 | 12.08 |
| May - - | 20.00 | . 52 | 8.74 | 13.26 | . 45 | 36.72 | 10.95 |
| June - - | 18.92 | 8.88 | . 11 | 16.99 | . 44 | 39.36 | 11.70 |
| July - - | 19.69 | 5.71 | . 51 | 14.21 | . 56 | 37.48 | . 66 |
| Augst - - | . 23 | 6.49 | 7.35 | 13.84 | . 71 | 36.79 | . 66 |
| Septbr - - | 18.84 | 8.52 | . 10 | 15.63 | 4.01 | 38.48 | . 63 |
| Octbr - - | 20.47 | 6.74 | 8.37 | . 10 | 3.73 | 39.32 | . 12 |
| Novbr - - | . 57 | . 48 | . 30 | 14.78 | . 61 | 38.97 | 10.69 |
| Decbr - - | 19.02 | 8.50 | . 43 | 16.93 | . 60 | 39.56 | . 98 |
| **1848.** | | | | | | | |
| Janry - - | 19.64 | 5.40 | 10.32 | 15.72 | 3.70 | 39.06 | 11.25 |
| Febry - - | . 35 | . 60 | 9.90 | . 50 | . 78 | 38.64 | . 57 |
| March - - | 18.64 | 6.96 | . 47 | 16.44 | . 98 | 39.07 | . 60 |
| April - - | 19.38 | 3.89 | 11.19 | 15.08 | . 52 | 37.99 | 12.29 |
| May - - | . 27 | . 79 | 9.58 | 13.37 | . 42 | 36.07 | 11.72 |
| June - - | 18.61 | 5.84 | . 03 | 14.88 | . 39 | .88 | 12.14 |
| July - - | 19.73 | 3.63 | 10.90 | . 53 | . 48 | 37.72 | . 93 |
| Augst - - | . 41 | 4.03 | 9.17 | 13.20 | . 59 | 36.21 | . 46 |
| Septbr - - | 18.70 | 6.10 | 8.63 | 14.73 | . 84 | 37.26 | . 64 |
| Octbr - - | 19.29 | 4.26 | 10.07 | . 33 | . 49 | 13 | 13.26 |
| Novbr - - | . 01 | . 45 | . 34 | . 79 | . 42 | . 22 | . 22 |
| Decbr - - | 17.99 | 7.67 | 9.29 | 16.95 | . 46 | 38.33 | . 41 |

A notice of 15th of April, 1847, omitted all mention as to the term of the Bills.—The notice of above two months.—The notice of 5th August ('47) was 5½ per cent. as a *minimum* rate.—On 2nd Sept. on two months' bills, and 6 per cent. on three months. On 1st Oct. ('47), the rate was 5½ per cent. on Oct. ('47), the rate was 8 per cent. under the Government Letter.

| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|
| ASSETS. | | | | | MONEY MARKET. | | | |
| RITIES. | | BULLION. | | | Market Rate on First class Bills. | Price of Consols. | Bank of England Minimum Rate. | MONTHS. |
| *Private.* | TOTAL. | *Banking* dept. | Issue dept. | TOTAL. | | | | |
| Mins. | Mins. | Mins. | Mins. | Mins. | P. ct. p. an. | | P. ct. p. an. | **1847.** |
| 13.96 | 26.72 | 7.38 | 6.53 | 13.91 | 3½–4½ | 94–1 | 3½. 14 Jan.<br>4. 21 Jan. | Janry |
| 14.43 | . 53 | 6.67 | 5.54 | 12.21 | 4½ 5 | 91–90 | „ | Febry |
| 16.88 | 28.87 | . 06 | . 26 | 11.32 | „ | 91–88 | „ | March |
| . 94 | 29.02 | 3.58 | 6.08 | 9.66 | 5–8 | 88–5 | 5. 8 April | April |
| . 19 | 26.93 | 4.58 | 5.20 | . 78 | 5–6 | 88–6 | „ | May |
| 17.25 | 28.95 | 6.26 | 4.14 | 10.45 | 5–6 | 89 8 | „ | June |
| 15.92 | 27.58 | 5.03 | . 87 | 9.90 | 4½–5 | 88⅛–8 | „ | July |
| . 90 | . 56 | 4.80 | . 43 | . 23 | 5–7 | 87–6 | 5, 5½, 6, 2 Aug. | Augst |
| 17.96 | 29.59 | . 86 | . 02 | 8.88 | 6–9 | 87 5 | 5½ 5 Aug. | Septbr |
| 19.77 | 30.89 | 2.86 | 5.57 | . 43 | 8–15 | 85–79 | 8. 25 Oct. | Octbr |
| 18.64 | 29.33 | 3.95 | . 68 | 9.63 | 7–5 | 80–84 | 7. 22 Nov. | Novbr |
| 16.91 | 27.89 | 7.50 | 4.17 | 11.67 | 5–4 | 84–6 | 6. 2 Dec.<br>5. 23 Dec. | Decbr |
| | | | | | | | | **1848.** |
| 14.93 | 26.18 | 8.10 | 4.77 | 12.87 | 4½–3½ | 85–90 | 4. 27 Jan. | Janry |
| 12.74 | 24.30 | 9.85 | . 48 | 14.34 | 4–2¾ | 90–88 | „ | Febry |
| . 40 | . 00 | 11.28 | 3.78 | 15.06 | 3 4 | 85–80 | „ | March |
| 11.77 | . 06 | 9.56 | 4.38 | 13.93 | 3–4 | 83–1 | „ | April |
| . 15 | 22.87 | 8.98 | . 22 | . 20 | 3½–3 | 82–5 | „ | May |
| 10.76 | . 90 | 10.40 | 3.58 | . 98 | 3–3¼ | 84 | 3½. 15 Jun. | June |
| . 61 | 23.54 | 9.56 | 4.42 | 14.17 | 2¾–3 | 85 7 | „ | July |
| . 24 | 22.80 | . 08 | . 32 | 13.40 | „ | 86–7 | „ | Augst |
| . 91 | 23.55 | . 99 | 3.72 | . 71 | „ | 85–6 | „ | Septbr |
| . 59 | . 85 | . 03 | 4.24 | . 27 | 2½–3 | 85–6 | „ | Octbr |
| . 21 | . 44 | . 82 | 3.97 | . 79 | „ | „ | 3. 2 Nov. | Novbr. |
| . 21 | . 62 | 11.69 | 3.02 | 14.71 | 2½–3 | 87–8 | „ | Decbr |

2nd August ('47) was 5 per cent. on bills of *one* month; 5½ per cent. on *two* months; and 6 per cent. ('47), the rate was 5 per cent. on loans till 14th Oct.— On 23rd Sept. ('47), the rates were 5½ per cent. everything falling due before 14th Oct., and total refusal to advance on Public Securities. On 25th

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Months. | LIABILITIES. | | | | | Total of *Liabilities* and *Assets* respectively. | Secu- |
| | Circulation including B. P. Bills. | Deposits. | | | Rest. | | |
| | | Public. | *Private.* | Total. | | | Public. |
| **1849.** | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. |
| Janry - - | 19.29 | 4.98 | 11.01 | 15.99 | 3.46 | 38.74 | 13.68 |
| Febry - - | . 50 | . 89 | . 78 | . 68 | . 56 | . 75 | 14.00 |
| March - - | 18.99 | 7.03 | 9.69 | 16.72 | . 86 | 39.55 | . 07 |
| April - - | 19.99 | 4.20 | 11.25 | 15.44 | . 11 | 38.55 | . 15 |
| May - - | . 97 | . 28 | 10.45 | 14.75 | . 15 | 37.88 | . 14 |
| June - - | . 08 | 6.70 | 9.46 | 16.37 | . 12 | 38.38 | . 27 |
| July - - | 20.30 | 4.19 | 10.70 | 14.80 | . 19 | . 31 | . 37 |
| Augst - - | 19.92 | 5.00 | 9.84 | . 85 | . 30 | . 09 | . 31 |
| Septbr - - | 18.97 | 7.73 | . 05 | 16.78 | . 58 | 39.34 | . 34 |
| Octbr - - | 19.73 | 6.12 | 10.28 | . 40 | . 24 | . 39 | . 26 |
| Novbr - - | . 47 | . 73 | . 03 | . 75 | . 16 | . 37 | . 28 |
| Decbr - - | . 05 | 9.55 | 9.54 | 18.88 | . 11 | 41.25 | . 35 |
| **1850.** | | | | | | | |
| Janry - - | 20.22 | 6.84 | 10.11 | 17.53 | 3.19 | 41.00 | 14.31 |
| Febry - - | . 43 | . 68 | . 09 | 16.76 | . 28 | 40.48 | . 34 |
| March - - | . 05 | 8.67 | 9.96 | 18.63 | . 60 | 42.48 | . 42 |
| April - - | 21.16 | 5.87 | 10.71 | 16.58 | . 07 | 40.81 | . 30 |
| May - - | 20.83 | 6.22 | 9.94 | . 16 | . 10 | . 09 | . 29 |
| June - - | . 39 | 8.59 | . 39 | 17.96 | . 06 | 41.44 | . 32 |
| July - - | 21.57 | 6.08 | 10.51 | 16.61 | . 15 | . 33 | . 30 |
| Augst - - | . 32 | 7.04 | 9.58 | . 82 | . 30 | . 25 | . 40 |
| Septbr - - | 20.40 | 9.86 | 8.99 | 18.61 | 55 | 42.82 | . 43 |
| Octbr - - | 21.03 | 8.47 | 9.30 | 17.78 | 21 | . 02 | . 33 |
| Novbr - - | 20.37 | . 11 | . 67 | . 79 | . 12 | 41.28 | . 23 |
| Decbr - - | 19.76 | 10.46 | . 28 | 19.74 | . 10 | 42.60 | . 23 |

| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|
| ASSETS. | | | | | MONEY MARKET. | | | |
| RITIES. | | BULLION. | | | Market Rate on First class Bills. | Price of Consols. | Bank of England Minimum Rate. | MONTHS. |
| *Private.* | TOTAL. | *Banking* dept. | Issue dept. | TOTAL. | | | | |
| Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | P. ct. p. an. | | P. ct. p. an. | **1849.** |
| 10.04 | 23.72 | 10.80 | 4.21 | 15.01 | 2¼–3 | 89–91 | 2 Nov. '48. | Janry |
| 9.48 | . 48 | . 89 | . 34 | . 27 | 1¾–2½ | 91–4 | ,, | Febry |
| 10.25 | 24.32 | 11.34 | 3.91 | 25 | 2¼–½ | 93–2 | ,, | March |
| 9.78 | 23.93 | 9.74 | 4.88 | 14.62 | ,, | 92–⅓ | ,, | April |
| . 41 | . 55 | . 49 | . 84 | . 33 | ,, | 92–1 | ,, | May |
| . 24 | . 50 | 10.79 | . 07 | . 87 | ,, | 91–2 | ,, | June |
| . 17 | . 54 | 9.54 | 5.23 | . 77 | ,, | 92–3 | ,, | July |
| . 12 | . 50 | . 75 | 4.82 | . 58 | ,, | ,, | ,, | Augst |
| 10.03 | 24.37 | 11.00 | 3.95 | . 96 | ,, | ,, | ,, | Septbr |
| . 01 | . 27 | 10.46 | 4.66 | 15.12 | ,, | ,, | ,, | Octbr |
| 9.17 | 23.45 | 11.55 | . 37 | . 93 | 1¾–2¼ | 93–4 | 2½ 22 Nov. '49. | Novbr |
| 10.03 | 24.38 | 12.88 | 3.99 | 16.87 | ,, | 94-7 | ,, | Decbr |
| | | | | | | | | **1850.** |
| 9.83 | 24.14 | 11.76 | 5.10 | 16.85 | 2–2½ | 97–6 | 2½ 22 Nov. '49. | Janry |
| . 17 | 23.51 | . 68 | . 28 | . 97 | ,, | 96–5 | ,, | Febry |
| 10.68 | 25.10 | 12.19 | 4.99 | 17.18 | ,, | 95–6 | ,, | March |
| 9.77 | 24.07 | 10.72 | 6.01 | 16.74 | ,, | ,, | ,, | April |
| . 16 | 23.48 | . 98 | 5.63 | . 61 | ,, | ,, | ,, | May |
| 10.23 | 24.35 | 11.69 | . 20 | . 89 | ,, | ,, | ,, | June |
| . 15 | . 46 | 10.59 | 6.27 | . 86 | ,, | 96–7 | ,, | July |
| . 03 | . 43 | . 82 | . 00 | . 82 | ,, | ,, | ,, | Augst |
| 11.63 | 26.06 | 11.59 | 5.16 | . 75 | ,, | ,, | ,, | Septbr |
| . 50 | 25.84 | 9.75 | 6.43 | . 18 | ,, | ,, | ,, | Octbr |
| 10.94 | . 17 | 11.04 | 5.06 | . 10 | 2½–3 | ,, | ,, | Novbr |
| 12.85 | 27.08 | . 00 | 4.51 | 15.52 | 3–½ | ,, | 3. 26 Dec. '50. | Decbr |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Months. | LIABILITIES. | | | | | Total of *Liabilities* and *Assets* respectively. | Secu- |
| | Circulation including B. P. Bills. | Deposits. | | | Rest. | | |
| | | Public. | *Private.* | Total. | | | Public. |
| **1851.** | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. |
| Janry - - | 20.80 | 7.21 | 10.42 | 17.63 | 3.19 | 41.63 | 14.17 |
| Febry - - | . 25 | 6.89 | 9.51 | 16.40 | . 27 | 39.92 | . 14 |
| March - - | 19.93 | 8.37 | . 28 | 17.64 | . 62 | 41.19 | . 14 |
| April - - | 20.76 | 5.50 | . 95 | 15.44 | . 08 | 39.30 | . 02 |
| May - - | . 44 | . 88 | 8.99 | 14.87 | . 12 | 37.42 | 13.70 |
| June - - | . 08 | 8.26 | . 84 | 17.09 | . 09 | 40.27 | . 54 |
| July - - | 21.40 | 5.37 | 9.45 | 14.83 | . 19 | 39.42 | . 48 |
| Augst - - | . 30 | 6.29 | 8.69 | . 96 | . 35 | . 61 | . 46 |
| Septbr - - | 20.37 | 9.03 | . 18 | 17.21 | . 59 | 41.18 | . 46 |
| Octbr - - | 21.35 | 7.49 | 9.51 | . 00 | . 25 | . 60 | . 35 |
| Novbr - - | 20.96 | 6.70 | . 52 | 16.22 | . 16 | 40.34 | . 24 |
| Decbr - - | 19.90 | 8.85 | . 38 | 18.24 | . 13 | 41.27 | . 25 |
| **1852.** | | | | | | | |
| Janry - - | 21.57 | 5.85 | 9.38 | 18.24 | 3.13 | 41.27 | 13.25 |
| Febry - - | . 62 | 6.07 | 11.81 | 17.89 | . 39 | 42.90 | . 51 |
| March - - | . 25 | 7.34 | 12.15 | 19.50 | . 62 | 44.36 | . 57 |
| April - - | 22.56 | 4.68 | 13.39 | 18.06 | . 22 | 43.85 | . 65 |
| May - - | . 89 | . 34 | . 83 | . 17 | . 11 | 44.17 | . 57 |
| June - - | . 69 | 6.66 | . 14 | 19.81 | . 07 | 45.57 | . 94 |
| July - - | 24.57 | 4.13 | 14.62 | 18.74 | . 17 | 46.48 | . 91 |
| Augst - - | . 21 | 5.20 | 13.32 | . 52 | . 27 | . 01 | 14.05 |
| Septbr - - | 23.50 | 7.69 | 12.05 | 19.75 | . 55 | . 79 | . 19 |
| Octbr - - | 24.48 | 6.40 | . 52 | 18.92 | . 28 | . 68 | . 05 |
| Novbr - - | . 47 | . 23 | . 48 | . 71 | . 13 | . 31 | 13.96 |
| Decbr - - | 23.90 | 8.38 | . 49 | 20.87 | . 08 | 47.85 | . 96 |

| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|
| ASSETS. | | | | | MONEY MARKET. | | | |
| RITIES. | | BULLION. | | | Market Rate on First class Bills. | Price of Consols. | Bank of England Minimum Rate. | MONTHS. |
| *Private.* | TOTAL. | *Banking* dept. | Issue dept. | TOTAL. | | | | |
| Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | P. ct. p. an. | | P. ct. p. an. | **1851.** |
| 12.86 | 27.03 | 9.01 | 5.59 | 14.61 | 2¾–3 | 96–7 | 3. 26 Dec., '50. | Janry |
| 11.40 | 25.54 | . 27 | . 11 | . 38 | „ | „ | „ | Febry |
| 12.66 | 26.81 | . 49 | 4.89 | . 38 | „ | „ | „ | March |
| 11.89 | 25.52 | 7.85 | 5.68 | 13.53 | 2½–3 | „ | „ | April |
| . 31 | . 01 | 8.08 | . 34 | . 43 | „ | „ | „ | May |
| 12.67 | 26.21 | 9.05 | . 22 | 14.07 | „ | 97–8 | „ | June |
| 11.96 | 25.44 | 7.75 | 6.22 | 13.97 | „ | 96–7 | „ | July |
| 12.02 | . 48 | 8.10 | . 02 | 14.12 | 3–3¼ | „ | „ | Augst |
| 13.12 | 26.58 | 9.70 | 4.91 | . 61 | 2¾–3 | „ | „ | Septbr |
| . 17 | . 52 | 8.97 | 6.10 | 15.08 | 2¼ ¾ | „ | „ | Octbr |
| 11.42 | 24.66 | 9.92 | 5.96 | . 68 | „ | 97-8 | „ | Novbr |
| 10.97 | . 23 | 12.25 | 4.79 | 17.04 | „ | 96–7 | „ | Decbr |
| | | | | | | | | **1852.** |
| 10.97 | 24.23 | 12.25 | 4.79 | 17.04 | 2–½ | 96–7 | 2½. 2 Jan. | Janry |
| . 60 | . 12 | . 32 | 6.45 | 18.77 | 1¾-2 | „ | „ | Febry |
| 11.13 | . 70 | 13.51 | . 15 | 19.66 | „ | „ | „ | March |
| 10.70 | . 35 | 12.11 | 7.39 | . 50 | „ | 97 9 | 2. 22 April. | April |
| . 26 | 23.82 | . 69 | . 66 | 20 35 | 1½–¾ | 99-100 | „ | May |
| . 25 | 24.19 | 13.94 | . 43 | 21.37 | „ | „ | „ | June |
| . 54 | . 44 | 12.82 | 9.22 | 22.04 | „ | 100–½ | „ | July |
| . 16 | . 21 | . 95 | 8.84 | 21.79 | „ | „ | „ | Augst |
| . 75 | . 94 | 13.76 | . 09 | . 85 | „ | „ | „ | Septbr |
| 11.17 | 25.21 | 12.44 | 9.08 | . 47 | „ | 100–1 | „ | Octbr |
| . 05 | . 01 | . 31 | 8.98 | . 30 | „ | „ | „ | Novbr |
| 12.58 | 26.54 | . 87 | . 44 | . 31 | „ | „ | „ | Decbr |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Months. | LIABILITIES. | | | | | Total of *Liabilities* and *Assets* respectively. | Secu- |
| | Circulation including B. P. Bills | Deposits. | | | Rest. | | |
| | | Public. | *Private.* | Total. | | | Public. |
| **1853.** | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. |
| Janry - - | 24.76 | 6.04 | 13.48 | 19.52 | 3.18 | 47.47 | 13.87 |
| Febry - - | 23.66 | .40 | 12.27 | 18.67 | .29 | 45.63 | .63 |
| March - - | .15 | 7.90 | .82 | 20.72 | .62 | 47.49 | .46 |
| April - - | 24.52 | 4.88 | 13.47 | 18.35 | .22 | 46.09 | .36 |
| May - - | .32 | 5.20 | 12.02 | 17.22 | .14 | 44.68 | .14 |
| June - - | .29 | 4.63 | 13.11 | .74 | .11 | 45.15 | .12 |
| July - - | .93 | 3.18 | .07 | 16.25 | .22 | 44.40 | .69 |
| Augst - - | .69 | .55 | 11.85 | 15.40 | .33 | 43.33 | .03 |
| Septbr - - | 23.69 | 5.67 | 10.94 | 16.61 | .65 | .96 | 12.60 |
| Octbr - - | 24.49 | 4.77 | 12.18 | .94 | .37 | 44.81 | 11.99 |
| Novbr - - | 23.22 | 5.66 | 11.65 | 17.31 | .20 | 43.73 | 12.31 |
| Decbr - - | 22.14 | 10.15 | 10.95 | 21.09 | .19 | 46.43 | 14.76 |
| **1854.** | | | | | | | |
| Janry - - | 23.19 | 4.16 | 13.56 | 17.73 | 3.30 | 44.23 | 13.81 |
| Febry - - | .12 | 2.31 | 12.24 | 14.56 | .52 | 41.08 | 12.00 |
| March - - | 22.26 | 3.43 | 11.13 | .31 | .72 | 40.56 | 11.78 |
| April - - | 23.38 | 2.53 | 12.20 | .74 | .28 | 41.40 | 13.13 |
| May - - | 22.15 | .56 | 10.43 | 12.99 | .21 | 38.36 | 11.11 |
| June - - | 21.06 | 3.40 | .33 | 13.73 | .19 | 37.94 | 9.86 |
| July - - | .54 | .57 | 11.61 | 15.18 | .29 | 40.02 | 11.87 |
| Augst - - | .22 | .30 | 10.28 | 13.58 | .43 | 38.22 | 10.98 |
| Septbr - - | 20.69 | 4.89 | 9.95 | 14.84 | .70 | 39.22 | 11.00 |
| Octbr - - | 21.68 | 3.03 | 10.99 | .02 | .27 | 38.98 | .04 |
| Novbr - | .20 | .90 | .14 | .04 | .16 | .42 | .45 |
| Decbr - - | 20.29 | 5.96 | 9.95 | 15.91 | .13 | 39.34 | .58 |

| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|
| ASSETS. | | | | | MONEY MARKET. | | | |
| RITIES. | | BULLION. | | | Market Rate on First class Bills. | Price of Consols. | Bank of England Minimum Rate. | MONTHS. |
| *Private.* | TOTAL. | *Banking* dept. | Issue dept. | TOTAL. | | | | |
| Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | P. ct. p. an. | | P. ct. p. an. | **1853.** |
| 14.02 | 27.89 | 10.27 | 9.31 | 19.58 | 2–3 | 99–100 | 2½. 6 Jan. 3. 20 Jan. | Janry |
| 13.60 | . 23 | . 13 | 8.27 | 18.40 | 3–3½ | „ | „ | Febry |
| 15.00 | 28.45 | 11.23 | 7.81 | 19.04 | 3–3¼ | „ | „ | March |
| 13.95 | 27.30 | 9.87 | 8.92 | 18.78 | 2¾–3 | 100–1 | „ | April |
| . 45 | 26.60 | . 12 | . 96 | . 08 | „ | „ | „ | May |
| . 52 | . 64 | . 29 | . 96 | . 51 | 3–4 | 99–100 | 3½. 2 June. | June |
| 12.63 | . 32 | 8.57 | 9.50 | . 08 | 3 ½ | 97–9 | „ | July |
| 13.08 | . 11 | . 12 | . 10 | 17.22 | „ | 97–8 | „ | Augst |
| 15.29 | 27.89 | 7.80 | 8.26 | 16.06 | 3½–4½ | 94–7 | 4. 1 Sep. 4½. 15 Sep. 5. 29 Sep. | Septbr |
| 17.45 | 29.44 | 6.29 | 9.08 | 15.37 | 4½–5½ | 91–4 | „ | Octbr |
| 15.81 | 28.12 | 7.64 | 8.07 | . 61 | 4½–5 | 94–5 | „ | Novbr |
| 16.21 | 30.97 | 8.55 | 7.15 | . 51 | 5 | 93–4 | „ | Decbr |
| 14.67 | 28.18 | 8.07 | 7.81 | 15.70 | 4½–5 | 90 3 | **1854.** 5. 29 Sep. '53. | Janry |
| 12.84 | 24.84 | . 24 | 8.00 | 16.24 | „ | 91–2 | „ | Febry |
| 13.41 | 25.20 | . 04 | 7.15 | 15.15 | „ | 86–91 | „ | March |
| 14.60 | 27.74 | 5.44 | 8.22 | 13.66 | „ | 85 7 | „ | April |
| . 63 | 25.75 | . 54 | 7.07 | 12.11 | 5–5½ | 87–90 | 5½. 11 May | May |
| 15.01 | 24.87 | 7.07 | 6.04 | 13.11 | „ | 90-2 | „ | June |
| 14.31 | 26.19 | . 34 | . 49 | . 83 | „ | 91–3 | 5. 27 July. | July |
| 13.69 | 24.68 | . 27 | . 28 | . 55 | 5–4½ | 92–4 | „ | Augst |
| 14.98 | 25.97 | . 59 | 5.67 | . 25 | „ | 94–6 | „ | Septbr |
| . 72 | . 76 | 6.63 | 6.58 | . 21 | „ | 94-5 | „ | Octbr |
| 13.39 | 24.84 | 7.46 | . 11 | . 57 | „ | 92–4 | „ | Novbr |
| 11.79 | 25.37 | 8.65 | 5.32 | . 97 | „ | 92–1 | „ | Decbr |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Months. | LIABILITIES. | | | | | Total of *Liabilities* and *Assets* respectively. | Secu- |
| | Circulation including B. P. Bills. | Deposits. | | | Rest. | | |
| | | Public. | *Private.* | Total. | | | Public. |
| **1855.** | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. |
| Janry - - | 20.97 | 3.46 | 10.59 | 14.05 | 3.24 | 38.26 | 11.63 |
| Febry - - | . 34 | 4.53 | . 31 | . 84 | . 31 | . 45 | . 54 |
| March - - | . 00 | 5.17 | 11.00 | 16.17 | . 59 | 39.81 | . 58 |
| April - - | 21.15 | 4.41 | 12.95 | 17.37 | . 11 | 41.63 | 13.79 |
| May - - | 20.85 | 3.91 | . 25 | 16.16 | . 16 | 40.18 | 11.88 |
| June - - | . 69 | 5.78 | 13.28 | 19.06 | . 12 | 42.87 | 12.77 |
| July - - | 21.96 | 4.26 | . 28 | 17.54 | . 23 | 41.98 | 13.39 |
| Augst - | . 40 | 6.20 | 11.84 | 18.04 | . 50 | 42.79 | 12.86 |
| Septbr - - | 20.90 | 7.85 | . 19 | 19.13 | . 65 | 43.58 | . 70 |
| Octbr - - | 21.44 | 4.75 | . 46 | 16.20 | . 29 | 40.92 | 10.73 |
| Novbr - - | 20.56 | 3.97 | . 32 | 15.29 | . 21 | 39.04 | . 20 |
| Decbr - - | 19.54 | 4.89 | 12.17 | 17.07 | . 21 | . 82 | 9.99 |
| **1856.** | | | | | | | |
| Janry - - | 20.08 | 4.07 | 13.24 | 17.31 | 3.34 | 40.73 | 12.65 |
| Febry - - | 19.57 | 3.94 | . 64 | . 58 | . 47 | . 63 | 11.85 |
| March - - | . 44 | 5.29 | 12.76 | 18.05 | . 80 | 41.30 | . 63 |
| April - - | 20.65 | 4.10 | 11.69 | 15.80 | . 33 | 39.78 | 12.82 |
| May - - | . 51 | 3.42 | . 20 | 14.42 | . 23 | 38.36 | . 80 |
| June - - | . 19 | 4.31 | 10.34 | . 65 | . 22 | . 07 | 11.37 |
| July - - | 21.38 | 3.61 | 11.42 | 15.03 | . 29 | 39.74 | 13.51 |
| Augst - | . 05 | 4.59 | 10.21 | 14.80 | . 48 | . 33 | 12.13 |
| Septbr - | . 85 | 7.25 | 9.88 | 17.13 | . 73 | 41.72 | . 00 |
| Octbr - | . 73 | 6.00 | 10.17 | 16.17 | . 32 | . 23 | 11.17 |
| Novbr - - | . 84 | 4.97 | 9.74 | 14.71 | . 23 | 38.79 | 10.54 |

1855.—The notice of 17 October 1855, was 6 per cent. for Bills not above 60 days, and 7 per cent. for authorised an increased Issue of Notes on Securities, to the extent of 475,000*l.* being two-thirds of the

1856.—On 25 September, 1856, the *Bank of France* raised its rate of discount from 5 per cent. to 6 per 60 days (the former term being 90 days), and limited the advances on Shares to 20 per cent. and on

The *Bank of England* notice of Monday, 6th October, 1856, was 6 per cent. on Bills under 60 days, Court Day being Thursday. A notice of 16th October, 1856 (Thursday), intimated the refusal of the the Rate was raised to 7 per cent.—On 4th December it was reduced to 6½ per cent.

| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | MONEY MARKET. | | | |
| RITIES. | | BULLION. | | | Market Rate on First class Bills. | Price of Consols. | Bank of England Minimum Rate. | MONTHS. |
| *Private.* | TOTAL. | *Banking* dept. | Issue dept. | TOTAL. | | | | |
| Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | P. ct. p. an. | | P. ct. p. an. | **1855.** |
| 13.95 | 25.58 | 6.77 | 5.91 | 12.68 | 4½–5 | 91–2 | **5.** 27 July, '54. | Janry |
| 14.01 | . 55 | 7.48 | . 42 | . 89 | 4¼–½ | „ | „ | Febry |
| . 00 | . 59 | 9.27 | 4.94 | 14.21 | „ | 92–3 | „ | March |
| 12.69 | 26.47 | 8.95 | 6.21 | 15.16 | 4½ | 92–89 | **4½.** 5 Apr. '55. | April |
| 11.95 | 23.84 | 10.51 | 5.83 | 16.34 | 3½–4 | 88½–91½ | **4.** 3 May. | May |
| 12.14 | 24.91 | 12.27 | 6.09 | 18.36 | „ | 91–2 | **3½.** 14 Jun. | June |
| . 84 | 25.74 | 10.18 | . 80 | 16.98 | 3–4 | 90–1 | „ | July |
| 13.89 | 26.75 | 9.66 | . 38 | . 04 | „ | „ | „ | Augst |
| 17.07 | 29.76 | 7.90 | 5.91 | 13.81 | 4–5 | 91–88 | **4.** 6 Sep. **4½.** 13 Sep. **5.** 27 Sep. | Septbr |
| 18.54 | . 28 | 5.20 | 6.43 | 11.64 | 5–8 | 87–8 | **5½.** 4 Oct. **6–7.** 17 Oc. | Octbr |
| 17.61 | 27.81 | . 65 | 5.58 | . 23 | 6–8 | „ | „ | Novbr |
| 18.74 | 28.74 | 6.68 | 4.40 | . 18 | 6 7 | 88–9 | „ | Decbr |
| | | | | | | | | **1856.** |
| 17.64 | 30.30 | 5.66 | 4.77 | 10.43 | 5½–6 | 86–9 | „ | Janry |
| 18.17 | . 02 | 6.28 | . 32 | . 60 | 6–6½ | 90–1 | „ | Febry |
| 19.16 | . 80 | . 29 | . 22 | . 50 | „ | 91–3 | „ | March |
| 17.02 | 29.84 | 4.56 | 5.37 | 9.94 | „ | 92 3½ | „ | April |
| 15.30 | 28.09 | 5.02 | . 24 | 10.27 | 5½–4½ | 92–5 | **6.** 22 May. **5.** 29 May. | May |
| 14.89 | 25.76 | 7.37 | 4.94 | 12.31 | 4½–3¾ | 94½ | **4½.** 26 Jun. | June |
| 13.81 | 27.31 | 6.37 | 6.05 | . 43 | „ 4¼–½ | 95 6 | „ | July |
| 14.75 | 26.89 | . 77 | 5.67 | . 44 | „ | „ | „ | Augst |
| 17.66 | 29.66 | . 59 | . 46 | . 05 | „ | 95–3½ | „ | Septbr. |
| 19.98 | 31.15 | 3.78 | 6.30 | 10.08 | 5–7 | 93–1 | **5.** 1 Oct. **6–7.** 6 Oc. | Octbr. |
| 18.42 | 28.96 | 4.35 | 5.47 | 9.82 | 6–7 | 93–4½ | **7.** 13 Nov. | Novbr. |

Bills of 60 to 95 days. Bills above 95 days not admissible. — An Order in Council of 7 December, 1855, lapsed Country Circulation.

cent.—On the 6th October, 1856, a notice from the Bank of France shortened the term of the Bills to Rentes to 40 per cent. of market value.

and 7 per cent. on Bills of 60 to 90 days. This notice was adopted on a special day (Monday); the usual Bank to advance at all on Public Securities, with the exception of Exchequer Bills.—On 13th November

(2.) *Circulation of Bank of England Notes,* 1845 *to* 1856, *both inclusive; distinguishing the Several Denominations of Notes.*

For the following very interesting Table of the Component Elements of the Outstanding Circulation of the Bank of England, I am indebted to the kindness of the late Governor of the Bank (Mr. Hubbard), and of his predecessor in the chair, Mr. Thomson Hankey.

It is a Table suggested by the very curious and instructive Return forming App. B. 3, of the Lords' Report of 1819, on Cash Payments. That Return extends only from June, 1817, to April, 1819; but it shows, by the analysis it contains of the component parts of the Circulation, that all the great fluctuations occurred in the Large Notes, — the amount of the small notes remaining almost unchanged. It is not a little remarkable that, in the profusion of papers called for by Parliament since 1819, no continuation has been required of the analytical account now referred to.

The following table will supply this deficiency as regards the period 1845 to 1854. And the results presented by this table confirm the evidence of the paper of 1819, to the effect that all the great fluctuations of the total outstanding circulation occur, not by changes in the amount of the *Small,* but of the *Large* notes. For example :—

(1.) Comparing June, 1847, with December, 1846, there was a Decrease in the Total Circulation of 1,700,000*l.*; but of that decrease only 430,000*l.* (25 per cent.) was in the Small notes, that is, in the 5*l.* and 10*l.* notes combined, and 1,270,000*l.* (75 per cent.) was in the Large notes, that is, in the notes above 10*l.*

(2.) March, 1849, with December, 1848, Total Increase 910,000*l.*; of which only 160,000*l.* (17 per cent.) in Small notes, and 750,000*l.* (83 per cent.) in Large notes.

(3.) March, 1850, with June, 1849, Total Increase 1,570,000*l.*; of which only 180,000*l.* (12 per cent.) in Small notes, and 1,390,000*l.* (88 per cent.) in Large notes.

(4.) March, 1852, with December, 1851, Total Increase 1,510,000*l.*; of which 150,000*l.* (10 per cent.) Small notes, and 1,360,000*l.* (90 per cent.) Large notes.

(5.) December, 1854, with June, 1853, Total Decrease, 3,660,000*l.*; of which only 260,000*l.* (7 per cent.) in Small notes, and 3,400,000*l.* (93 per cent.) in Large notes.

(6.) June, 1856, with June, 1855, Total Decrease 820,000*l.*; of which only 8,000*l.* (10 per cent.) in Small notes, and 812,000*l.* (90 per cent.) in Large notes.

The relative magnitude of the component parts of the Bank Circulation has not undergone much change since 1845, as will appear by the following Averages of the years 1845, '50, '53, and '55.

| Component Part. | 1845. Mlns. | | 1850. Mlns. | | 1853. Mlns. | | 1855. Mlns. | |
|---|---|---|---|---|---|---|---|---|
| Notes of £5 - | 5·6 | | 5·4 | | 6·3 | | 6·5 | |
| „ £10 - | 3·8 | | 3·6 | | 4·1 | | 4·0 | |
| | — | 9·4 | — | 9·0 | — | 10·4 | — | 10·5 |
| £20 to £100 - | 6·0 | | 5·6 | | 6·3 | | 5·7 | |
| £200 to £500 - | 1·7 | | 1·5 | | 2·0 | | 1·5 | |
| £1,000 - - | 3·0 | | 2·7 | | 3·2 | | 1·9 | |
| B. P. Bills - - | 1·0 | | 1·2 | | 1·4 | | 0·9 | |
| | — | 11·7 | — | 11·0 | — | 12·9 | — | 10·0 |
| | | 21·1 | | 20·0 | | 23·3 | | 20·5 |

As regards the comparison of 1855 with 1853, it will be seen that, while the Small notes are nearly the same in both years, there is a considerable diminution, in 1855, in the Large notes, particularly in the largest of all, viz., those of 1000*l.* each. As will be presently explained, some part (say 1,000,000*l.*) of this diminution in the Large notes (of, say 3 millions) arises from improvements at the Clearing House.

As a general rule, the Bank Circulation, especially the Small Note part of it, is *lowest* at the end of March and December, and *highest* at the end of June and September. The dates in the Table are all equally free from the effect of the Dividend payments.

The rapid increase of all the component parts of the Circulation during the prosperous years 1852,'53, and early part of '54, is a very remarkable feature in the table, and may be fairly ascribed to the increase of transactions. The amount of lapsed Circulation among the Country Banks was also becoming considerable.

In the course of 1853 and '54, a considerable diminution of the highest class of notes (500*l.* and 1000*l.*) was occasioned by the improvements at the Clearing House, and by the admission of the London Joint Stock Banks to the privileges of that establishment.

The diminution of outstanding Circulation, arising from these changes, is estimated, on satisfactory data, at not less than 1,000,000*l.*

COMPONENT PARTS *of the* CIRCULATION *of* BANK *of* ENGLAND NOTES, 1845—1856.—*STATEMENT of the* COMPONENT PARTS *of that* CIRCULATION *as in the Hands of the Public, distinguishing the* AMOUNT *of the several* DENOMINATIONS *of* NOTES *composing the whole, — on four* DATES *in each Year, from* 1845 *to* 1856, *both inclusive.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| Dates. | Small Notes. | | | Large Notes. | | | | | Total Circulation. |
| | £5 | £10 | *Total.* | £20 to £100 | £200 to £500 | £1000 | Seven Day & other Bills. | *Total.* | |
| | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. |
| 1845, 29 March | 5·46 | 3·75 | 9·21 | 6·05 | 1·64 | 2·83 | 1·02 | 11·54 | 20·75 |
| 28 June | 5·65 | 3·89 | 9·54 | 6·10 | 1·77 | 2·91 | 1·03 | 11·82 | 21·36 |
| 27 Sept. | 5·78 | 3·95 | 9·73 | 6·19 | 1·69 | 3·00 | 1·00 | 11·88 | 21·61 |
| 27 Dec. | 5·55 | 3·75 | 9·30 | 5·64 | 1·62 | 3·30 | ·96 | 11·52 | 20·82 |
| 1846, 28 March | 5·60 | 3·80 | 9·40 | 5·71 | 1·61 | 2·86 | ·95 | 11·14 | 20·54 |
| 27 June | 5·80 | 3·89 | 9·70 | 5·70 | 1·49 | 2·73 | ·85 | 10·76 | 20·46 |
| 26 Sept. | 5·91 | 3·97 | 9·88 | 5·71 | 1·56 | 2·71 | ·91 | 10·89 | 20·77 |
| 26 Dec. | 5·76 | 3·80 | 9·56 | 5·57 | 1·62 | 2·87 | ·88 | 10·95 | 20·51 |
| 1847, 27 March | 5·79 | 3·77 | 9·56 | 5·65 | 1·48 | 2·75 | ·83 | 10·72 | 20·28 |
| 26 June | 5·52 | 3·62 | 9·14 | 5·16 | 1·47 | 2·28 | ·76 | 9·68 | 18·82 |
| 25 Sept | 5·53 | 3·63 | 9·16 | 5·28 | 1·42 | 2·22 | ·82 | 9·74 | 18·90 |
| 24 Dec. | 5·41 | 3·49 | 8·90 | 5·25 | 1·31 | 2·36 | ·81 | 9·73 | 18·63 |
| 1848, 25 March | 5·15 | 3·34 | 8·50 | 4·98 | 1·40 | 2·72 | ·90 | 10·01 | 18·51 |
| 24 June | 5·06 | 3·33 | 8·40 | 4·90 | 1·36 | 2·87 | 1·01 | 10·14 | 18·54 |
| 30 Sept. | 5·26 | 3·45 | 8·71 | 5·00 | 1·29 | 2·54 | 1·02 | 9·86 | 18·57 |
| 30 Dec. | 4·96 | 3·30 | 8·26 | 4·92 | 1·38 | 2·57 | ·97 | 9·84 | 18·10 |
| 1849, 31 March | 5·03 | 3·39 | 8·42 | 5·21 | 1·52 | 2·79 | 1·07 | 10·59 | 19·01 |
| 30 June | 5·17 | 3·50 | 8·67 | 5·22 | 1·47 | 2·56 | 1·00 | 10·27 | 18·94 |
| 29 Sept. | 5·19 | 3·53 | 8·72 | 5·27 | 1·47 | 2·67 | 1·01 | 10·42 | 19·14 |
| 29 Dec. | 5·00 | 3·42 | 8·42 | 5·28 | 1·60 | 2·93 | 1·02 | 10·83 | 19·25 |
| 1850, 30 March | 5·26 | 3·59 | 8·85 | 5·63 | 1·73 | 3·24 | 1·06 | 11·66 | 20·51 |
| 29 June | 5·46 | 3·71 | 9·17 | 5·71 | 1·64 | 2·77 | 1·24 | 11·38 | 20·55 |
| 28 Sept. | 5·52 | 3·73 | 9·25 | 5·54 | 1·54 | 2·69 | 1·25 | 11·03 | 20·28 |
| 28 Dec. | 5·24 | 3·58 | 8·82 | 5·47 | 1·63 | 2·65 | 1·25 | 11 01 | 19·83 |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| Dates. | Small Notes. | | | Large Notes. | | | | | |
| | £5 | £10 | *Total.* | £20 to £100 | £200 to £500 | £1000 | Seven Day & other Bills. | *Total.* | Total Circulation. |
| | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. |
| 1851, 29 March | 5·37 | 3·61 | 8·98 | 5·60 | 1·55 | 2·84 | 1·05 | 11·03 | 20·01 |
| 28 June | 5·62 | 3·71 | 9·33 | 5·57 | 1·59 | 2·76 | 1·08 | 11·01 | 20·34 |
| 27 Sept. | 5·66 | 3·72 | 9·38 | 5·48 | 1·50 | 2·81 | 1·22 | 11·02 | 20·40 |
| 27 Dec. | 5·38 | 3·56 | 8·94 | 5·38 | 1·62 | 2·79 | 1·05 | 10·83 | 19·77 |
| 1852, 27 March | 5·43 | 3·66 | 9·10 | 5·74 | 1·85 | 3·46 | 1·12 | 12·17 | 21·27 |
| 26 June | 5·71 | 3·92 | 9·63 | 6·24 | 2·01 | 3·45 | 1·27 | 12·98 | 22·61 |
| 25 Sept. | 5·99 | 4·03 | 10·02 | 6·39 | 1·97 | 3·13 | 1·41 | 12·91 | 22·93 |
| 24 Dec. | 5·98 | 3·94 | 9·92 | 6·41 | 2·07 | 3·82 | 1·42 | 13·73 | 23·65 |
| 1853, 26 March | 6·06 | 4·04 | 10·10 | 6·38 | 1·94 | 3·37 | 1·35 | 13·04 | 23·14 |
| 25 June | 6·36 | 4·19 | 10·55 | 6·46 | 2·02 | 3·61 | 1·32 | 13·40 | 23·95 |
| 24 Sept. | 6·57 | 4·20 | 10·77 | 6·23 | 1·83 | 3·10 | 1·46 | 12·62 | 23·39 |
| 31 Dec. | 6·30 | 3·99 | 10·30 | 5·90 | 1·74 | 3·15 | 1·17 | 11·95 | 22·25 |
| 1854, 1 April | 6·47 | 4·08 | 10·55 | 6·15 | 1·74 | 3·25 | 1·10 | 12·24 | 22·79 |
| 1 July | 6·35 | 3·99 | 10·34 | 5·92 | 1·64 | 2·19 | ·98 | 10·74 | 21·08 |
| 30 Sept. | 6·44 | 4·04 | 10·48 | 5·86 | 1·55 | 2·07 | 1·03 | 10·52 | 21·00 |
| 30 Dec. | 6·33 | 3·96 | 10·30 | 5·65 | 1·52 | 1·94 | ·89 | 9·99 | 20·29 |
| 1855, 30 March | 6·33 | 3·98 | 10·31 | 5·71 | 1·52 | 1·95 | ·87 | 10·04 | 20·35 |
| 30 June | 6·52 | 4.09 | 10·61 | 5·92 | 1·58 | 2·06 | ·97 | 10·53 | 21·14 |
| 29 Sept. | 6·75 | 4·13 | 10·88 | 5·88 | 1·51 | 1·90 | 1·00 | 10·29 | 21·17 |
| 29 Dec. | 6·28 | 3·85 | 10·13 | 5·36 | 1·42 | 1·79 | ·80 | 9·37 | 19·50 |
| 1856, 29 March | 6·27 | 3·93 | 10·20 | 5·65 | 1·39 | 1·78 | ·76 | 9·58 | 19·78 |
| 28 June | 6·47 | 4·05 | 10·52 | 5·70 | 1·45 | 1·84 | ·80 | 9·79 | 20·31 |
| 27 Sept. | 6·77 | 4·18 | 10·95 | 5·95 | 1·49 | 1·83 | ·93 | 10·20 | 21·15 |

Note. — The *four* figures at the *unit* end are omitted: thus, 6·77 represents 6,770,000*l.*

(3.) *Discount Business of the Bank of England*, 1849—1854.

A Return obtained by Mr. Hume in 1854, enables me to construct the following Table, with the view of showing the effect of reductions of the Rate of Discount upon the magnitude of the Discount Business of the Bank of England.

The Table divides itself into two parts; viz., from November, 1849, to April, 1852, during which period the Rate was, on the whole, gradually reduced to 2 per cent.;—and January, 1853, to September, 1853, during which time the Rate was raised from $2\frac{1}{2}$ to 5 per cent.

In col. 5. of the Table, the *Amount of Discount Business per Month* is adopted as the fairest mode of showing the progress of the business. The facts exhibited will scarcely fail to arrest attention.

We see that, during the first eight months after the reduction to $2\frac{1}{2}$ per cent. in November, 1849, the Business was comparatively a trifle. We see the same result after the reduction from 3 to $2\frac{1}{2}$ per cent. in January, '52; and again very decidedly during the five months after the reduction to 2 per cent. in April, '52.

It is tolerably clear that these reductions of the Rate of Discount did not bring much business to the Bank. They produced a great effect out of doors; but, as regards the Bank itself, it may be fairly urged that the amount of its Monthly Discounts would have been probably as large at the higher rate as at the lower one actually adopted.

Further,—looking at the magnitude of the Monthly Discounts at the *Rising* Rates after January, 1853, it is plain that it was not an easy matter to meet the requirements of a demand which in no small degree had been fostered by the previous low rates of interest. And it might be further argued that, so far as the profit and loss account of the Bank is concerned, the arrangement is a peculiarly beneficial one, which permits the institution to ensure, in great measure, a large business at *rising* rates, by depressing, for a period, to a comparatively low point, the advertised Minimum Rate.

The Table may be read thus; taking as an example one of the last lines, viz.: Between 29 Sept. '53 and 31 Dec. '53, a period of 3·0 months, the *Total* amount of Bills discounted, at the then minimum rate of 5 per cent. per annum, was 6,391,000*l.*, or in the Ratio *Per Month*, of 2,130,000*l.*

(E.) *Discount Business of Bank of England, Nov.* 1849, *to May,* 1854; *exhibiting the Total Amount of Discounts, and the Amount Per Month between each Alteration of the Minimum Rate.* (*Compiled from Materials furnished by Parl. Pr.* 342/54.)

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| Minimum Rates of Discount. | Periods. | | Total Amount of Discounts at Minimum Rate during each Period. | Average Amount of Discount *Per Month.* |
| (I.) | | Months. | £ | £ |
| 2½. 1849, 22 Nov. | 22 Nov. '49—31 Mar. '50. | 4·3 | 1,252,000 | 293,000 |
| | 1 April, '50—31 July, „ | 4· | 1,187,000 | 297,000 |
| | 1 Aug. „ —31 Oct. „ | 3· | 1,420,000 | 473,000 |
| | 1 Nov. „ —31 Dec. „ | 2· | 2,177,000 | 1,088,000 |
| 3. 1850, 26 Dec. | 1 Jan. '51—2 Jan. '52. | 12· | 13,308,000 | 1,109,000 |
| 2½. 1852, 2 Jan. | 2 Jan. '52—22 Apl, '52. | 3·6 | 1,830,000 | 510,000 |
| 2. „ 22 April. | 22 Apl. '52—30 June, '52. | 2·3 | 1,006,000 | 438,000 |
| | 1 July, „ —30 Sept. „ | 3· | 1,520,000 | 507,000 |
| | 1 Oct. „ —6 Jan. '53. | 3·3 | 2,588,000 | 780,000 |
| (II.) | | | | |
| 2½. 1853, 6 Jan. | 6 Jan. '53—20 Jan. '53. | 0·5 | 1,537,000 | 3,074,000 |
| 3. „ 20 Jan. | 20 Jan. '53—31 Mar. '53. | 2·3 | 4,955,000 | 2,153,000 |
| | 1 April, „ —2 June, „ | 2· | 3,473,000 | 1,736,000 |
| 3½. „ 2 June. | 2 June, '53—31 Aug. '53. | 3· | 3,987,000 | 1,329,000 |
| 4. „ 1 Sept. | 1 Sept. '53—15 Sept. '53. | 0·5 | 2,234,000 | 4,468,000 |
| 4½. „ 15 Sept. | 15 Sept. '53—29 Sept. '53. | 0·5 | 1,260,000 | 2,420,000 |
| 5. „ 29 Sept. | 29 Sept. '53.—31 Dec. '53. | 3· | 6,391,000 | 2,130,000 |
| | 1 Jan. '54—31 Mch, '54. | 3· | 4,890,000 | 1,630,000 |
| | 1 Apl. „ —11 May, „ | 1·3 | 2,454,000 | 1,880,000 |
| 4½. 1854.—11 May. | — | — | — | — |

(4.) *Outline of the Condition of the Bank of England in Periods of Years*, 1778—1856.

I have sought to show, in the following Table (F.), in a concise form, the considerable and important change which has taken place, during the last thirty years, in the relations of the Bank of England to the general public.

It is the fact that, down to about 1820, the magnitude of the *Private Deposits* was a comparative trifle. The means of the Bank (exclusive of its own paid-up capital) were obtained from the Government Account, and from its Circulation. It had scarcely any Banking Business in the form of Current Accounts; and therefore came but little, if at all, in contact with the London Bankers as a competitor for the custom of parties who should retain a balance at their credit, and therefore be Depositors.

About 1830, this state of things had been entirely changed, and then the Private Deposits equalled in amount the Deposits at credit of the Government; and this proportion continued to about 1842.

Since 1842, as a general rule, the Private Deposits have been equal to more than double the amount of the Government Deposits; and latterly the Private Deposits have attained a magnitude quite equal to *half* the outstanding Circulation.

In considering, therefore, the obligations imposed on the Bank by the nature of its Liabilities, it is essential to bear in mind, that reasonings which might be quite sound down to 1820 or 1830, when nearly the whole Banking resources of the institution were obtained from the Circulation and the Government Account, require considerable modification when the Private Deposits are half the amount of the outstanding Notes, and more than double the Treasury Balance.

The Table is divided into Periods. Thus, 1778–84 was the period of the American War; from 1785–92 there was Peace; 1793–96 included the severe pressure of the first years of the French War; 1797—1801 was marked by the suspension of Cash Payments; 1802–09 was the period of the War anterior to the great operations in Spain; 1810–15 the climax of the struggle; and it may suffice to point out that 1839–41 was the period marked by the large Corn importations under the Sliding Scale.

BANK OF ENGLAND, 1778—1856.—*APPROXIMATIVE STATEMENT of the ANNUAL AVERAGE AMOUNT of CIRCULATION in the hands of the Public (including BANK POST BILLS), and of DEPOSITS, SECURITIES, and BULLION. (Compiled from App. 3, Com. Rep., 1848; and App. 24, Com. Rep., 1832.)*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| YEARS (both inclusive). | LIABILITIES. | | | | | | | | ASSETS. | | | |
| | CIRCULATION. | | | DEPOSITS. | | | REST. | Total of Liabilities and Assets. | SECURITIES. | | | TOTAL BULLION. |
| | Under £5. | £5 & above. | TOTAL. | Public. | *Private* | TOTAL. | | | Public. | *Private* | TOTAL. | |
| | Mlns | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. | Mlns | Mlns. | Mlns. | Mlns. | Mlns. | Mlns. |
| 1778–84 | – | 7·0 | 7·0 | – | – | 6·0 | 1·6 | 14·6 | 8·6 | 8·0 | 11·6 | 3·0 |
| 1785–92 | – | 10·0 | 10·0 | – | – | 6·0 | 2·7 | 18·7 | 8·7 | 8·0 | 11·7 | 7·0 |
| 1793–96 | – | 11·0 | 11·0 | – | – | 6·0 | 3·1 | 20·1 | 11·0 | 4·1 | 15·1 | 5·0 |
| 1797–1801 | 1·8 | 12·5 | 14·3 | – | – | 8·0 | 3·5 | 25·5 | 13·0 | 7·5 | 20·5 | 5·0 |
| 1802–09 | 4·2 | 13·5 | 17·7 | – | – | 10·0 | 4·5 | 32·2 | 14·5 | 12·7 | 27·2 | 5·0 |
| 1810–15 | 7·5 | 16·5 | 24·0 | 10·5 | 0·7 | 11·2 | 6·5 | 41·7 | 22·0 | 16·7 | 38·7 | 3·0 |
| 1816–22 | 7·0 | 18·0 | 25·0 | 5·0 | 1·5 | 6·5 | 4·0 | 35·5 | 20·0 | 17·5 | 37·5 | 8·0 |
| 1823–25 | 0·5 | 19·0 | 19·5 | 6·0 | 2·0 | 8·0 | 3·0 | 30·5 | 15·0 | 5·5 | 20·5 | 10·0 |
| 1826 | 1·3 | 22·0 | 23·3 | 4·2 | 2·8 | 7·0 | 3·0 | 33·3 | 18·0 | 11·8 | 29·8 | 3·5 |
| 1827–32 | 0·4 | 20·0 | 20·4 | 4·5 | 5·5 | 10·0 | 2·7 | 33·1 | 20·0 | 4·1 | 24·1 | 9·0 |
| 1833–38 | 0·2 | 18·0 | 18·2 | 3·5 | 6·5 | 10·0 | 2·8 | 31·0 | 16·0 | 7·0 | 23·0 | 8·0 |
| 1839–41 | 0·2 | 16·5 | 16·7 | 3·0 | 4·0 | 7·0 | 2·7 | 26·4 | 14·0 | 7·9 | 21·9 | 4·5 |
| 1842–44 | 0·1 | 19·5 | 19·6 | 4·0 | 7·0 | 11·0 | 3·2 | 33·8 | 14·0 | 9·8 | 23·8 | 10·0 |
| 1845–46 | – | 21·0 | 21·0 | 7·0 | 10·0 | 17·0 | 3·5 | 41·5 | 13·0 | 13·5 | 26·5 | 15·0 |
| 1847 | – | 19·0 | 19·0 | 6·0 | 8·0 | 14·0 | 3·8 | 36·8 | 11·0 | 15·8 | 26 8 | 10·0 |
| 1848–51 | – | 20·0 | 20·0 | 6·0 | 11·0 | 17·0 | 3·2 | 40·2 | 14·0 | 11·2 | 25·2 | 15·0 |
| 1852–53 | – | 23·0 | 23·0 | 6·0 | 12·5 | 18·5 | 3·5 | 45·0 | 13·0 | 12·0 | 25·0 | 20·0 |
| 1854–55 | – | 21·0 | 21·0 | 4·0 | 12·0 | 16·0 | 3·5 | 40·5 | 12·0 | 14·5 | 26·5 | 14·0 |
| 1856 | – | 21·1 | 21·1 | 4·0 | 11·0 | 15·0 | 3·3 | 39·4 | 12·0 | 16·4 | 28·4 | 11·0 |

The *five* figures at the *unit* end of each amount are omitted: thus, 21·1 represents 21,100,000*l.*

N.

# APPENDIX X.

## The Country Circulation of the United Kingdom during the Period 1847–56.

*Statements relating to the Amount, Character, and Fluctuations of the* Country Circulation *of England and Wales, and of Scotland.*

The whole of the questions relating to the Country Circulation, not only as regards the changes which have taken place in the statutes affecting it, but also as regards the general laws which determine the periods and range of its Fluctuations, have been so well and lucidly discussed by Mr. Gilbart, in a Paper on the Laws of the Currency contributed to the Statistical Journal (vol. xvii.) of December 1854, that I have been led to transfer to this Appendix a very considerable portion of Mr. Gilbart's statement.

It will be found, I think, that but little could be added with advantage to Mr. Gilbart's labours.

The extracts are as follows:—

"I am not aware that we have any authentic details of the rise and progress of Country Banking in England. It is generally understood that very few country banks existed previous to the American war —that they rapidly increased after the termination of that war — that they received a severe check in the year 1793, when twenty-two became bankrupt, and that they increased with wonderful rapidity after the passing of the Bank Restriction Act of 1797. Since the year 1808, every bank that issues notes had been compelled to take out an annual licence — and since 1804, the notes have been subject to a stamp duty. This duty was increased in 1808, and again in 1815.

"In the year 1775, bankers were prohibited by Act of Parliament, to issue notes of a less amount than 20*s*. And in 1777, they were prohibited to issue notes of a less amount than 5*l*. But after the passing of the Bank Restriction Act in 1797, the last restriction was removed, and the Country Banks commenced issuing notes of 1*l*. and 2*l*. And in 1822, the permission to issue such notes was continued until the expiration of the Bank Charter in 1833. But after the memorable panic of 1825, the Government refused to issue any more stamps for notes under 5*l*., and it was enacted that all such

notes already stamped should cease to be issued by the bankers after the year 1829.

"The speculations that preceded the panic of 1825, were attributed, by the government of the day, to a wild spirit of speculation fostered by the Country Banks. To guard against the recurrence of similar evils, not only were notes under 5*l.* abolished, but two other measures were introduced. Banks of Issue consisting of more than six partners, were permitted to be formed at greater distance than sixty-five miles from London; and the Bank of England was induced to open Branches in the provinces.

"And here it will be proper to notice a peculiarity in the county of Lancaster, and particularly in Manchester and Liverpool. In these places there were no Country Notes, and but a small proportion of Bank of England Notes. The circulation consisted mainly of Bills of Exchange, which passed from hand to hand like Bank Notes, having the endorsement of all the parties through whose hands they had passed. In Liverpool large notes were required to pay the duties at the Custom House; and in Manchester small notes were required to pay wages. These were obtained from the Bank of England in London: but the transactions between manufacturers and dealers were transacted by Bills of Exchange, and as these bills were all made payable in London, Bank Notes were not required in Manchester and Liverpool, even for the payment of these bills.

"The measures adopted by the Legislature in the year 1826, led to the establishment of Branches of the Bank of England in Manchester and Liverpool.

"From this period the circulation of Bills of Exchange declined, and was superseded by Bank of England notes. This was accelerated by the circumstance that the Joint Stock Banks formed in these places did not issue their own notes, but those of the Bank of England. This establishment had offered to discount for the Joint Stock Banks at 1 per cent. less than they charged to the public, and the Joint Stock Banks thought it more for their interest to obtain the Notes of the Bank of England on these terms, than to issue notes of their own. The circulation of the country now consisted of notes of the Branches of the Bank of England, notes of the Joint Stock Banks, and notes of the Private Bankers; and as many of the weak private banks had ceased to exist, and as others had merged into Joint Stock Banks, and as all notes under 5*l.* were abolished, it was supposed that the country had now obtained the advantage of a secure circulation.

"But in the latter end of the year 1836 another Panic arrived, when it was discovered that the Country Circulation was again at fault. But the charge now was, not that it was Unsafe, but that it was Excessive; and this charge of having issued to excess was more especially directed against the Joint Stock Banks.

"Here it may be observed that, in the Panic of 1825, the amount of country notes in circulation was unknown. No returns at that time were made to the government, and the amount of notes in cir-

culation could only be calculated, and that very imperfectly, from the number of stamps, of different denominations, issued from the Stamp Office. But in the year 1833, the Chancellor of the Exchequer, Lord Althorp, obtained an Act (3 & 4 William IV. c. 83.), which required all banks issuing promissory notes, to make returns to the Stamp Office of the average amounts of notes in circulation in the quarters ending the first day of January, April, July, and October in each year. The quarterly average was to be formed from the amount in circulation at the end of each week. These quarterly returns were afterwards published in the London Gazette.

"From these returns it was evident that the Country Circulation had increased by the beginning of the year 1836; and as a general spirit of speculation prevailed at the same time, it was inferred that the Country Circulation was the cause of this speculation; and as by the end of the year the speculations had ended in Panic, the Country Circulation was the cause of this panic.

"Another Panic occurred at the end of the year 1839; and here again, blame was cast on the Country Notes.

"But the complaint now was, not that the Country Circulation was unsafe or excessive, but that it was Ill-regulated. An opinion had been adopted by some distinguished Political Economists that the country circulation, as well as that of the Bank of England, ought to correspond at all times with the amount of gold in the Bank of England. It is true that the circulation of the Bank of England did not fluctuate in exact accordance with this amount of gold. But the country circulation did not correspond even with that of the Bank of England. And as the fluctuations in the country circulation did not correspond with the fluctuations either of the gold of the Bank of England or with the notes of the Bank of England, it was assumed that the country circulation was ill-reguluted, and being ill-regulated it was assumed to be the cause, or at least one cause, of the Panic that occurred at the end of the year 1839.

"To examine into the truth of these opinions, a Committee of the House of Commons was appointed in the year 1840, to consider the state of the law with reference to Banks of Issue. The Committee examined witnesses during the sessions of 1840 and 1841; but the only practical result was that an act was passed requiring weekly returns of their circulation from every bank of issue. (4 & 5 Vic. cap. 50.) * * *

"When the late Sir Robert Peel came into office in the year 1841; the Charter of the Bank of England was subject to renewal in the year 1844, and in that year was passed an Act of Parliament 'to 'regulate the issue of Bank Notes and for giving to the Governor 'and Company of the Bank of England certain privileges for a 'limited period.' (7 & 8 Vict. cap. 32.)

"The charges against the Country Circulation had been, that it was Unsafe, Excessive, and Ill-regulated. The Act of 1844 dealt chiefly with the second of these accusations.

"According to the provisions of this Act, no New Bank of Issue

was permitted to be established in the United Kingdom, and the maximum amount of notes which each existing bank of issue might issue upon an average of four weeks, should, after the 10th October, 1844, be the average amount of the notes in circulation during the *twelve weeks ending the 27th April*, 1844; that returns should be made to government of the average amount of notes in circulation during each week; and if, upon an average of four weeks, the amount in circulation exceeded the authorised amount, the bank should be subject to a penalty equal to the amount of that excess. That if any existing bank not having more than six partners should increase the number of partners to more than six, it should lose the privilege of issue. That if any two banks should unite, so as to increase their number beyond six, they shall lose the right of issue. And if any banker shall become bankrupt, or cease to carry on the business of a banker, or cease to issue notes, it shall not be lawful for such banker at any time thereafter to issue any such notes.

"The charge of being Unsafe the act did not meddle with, except so far as limiting the issues of each bank, and prohibiting any new bank of issue, may be regarded as elements of safety. But the Act of 1844 left the country circulation still unregulated by the amount of gold in the Bank of England. In the month of October, 1844, when the act came into operation, the amount of gold in the Bank of England was 12,149,367*l.* On the 23d of October, 1847, the amount of gold was 6,745,354*l.*, but the law required no corresponding reduction in the amount of the country circulation. On the 10th of July, 1852, the gold had advanced to 21,845,390*l.*, but the law permitted the country circulation no corresponding expansion. It does not therefore appear to have been the object of the act, that the country bankers should regulate their issues by the amount of gold in the Bank of England.

"The Maximum was the average of the twelve weeks ending April 27, 1844, but there seems to be no reason why this period should have been chosen. Sir Robert Peel originally proposed that the maximum should be the average of the previous two years. The Private Bankers asked for the average of the previous five years. The Joint Stock Banks asked for the *maximum* of the two years, contending, that if an average were made a maximum, the circulation would be still farther reduced.

"Sir Robert Peel ultimately determined on the average of the twelve weeks previous to the announcement of the measures to Parliament: the respective amounts are as follows: —

| | Private Banks. £ | Joint-Stock Banks. £ |
|---|---|---|
| Average of the Two Years - - | 4,916,494 | 3,061,562 |
| „ Five Years - - | 5,761,792 | 3,485,329 |
| Maximum of the Two Years - - | 5,295,239 | 3,752,867 |
| Average of the Twelve Weeks as ultimately certified - | 5,153,407 | 3,495,446 |

The Private Banks were 205, and the Joint Stock Banks 72.

The following are the average amounts of the County Circulation during the previous five years:—

| | £ |
|---|---|
| 1839 | 11,715,527 |
| 1840 | 10,457,057 |
| 1841 | 9,671,643 |
| 1842 | 8,249,062 |
| 1843 | 7,667,916 |

"This decline was attributed by the Country Banks to the dulness of trade, the low price of corn, and other temporary causes.

"But, doubtless, there were also other causes of a more permanent description. Some country banks had withdrawn their circulation, and issued the notes of the Bank of England, in consequence of advantageous proposals from that establishment. The increased facilities of travelling by railway, and other means, had tended to diminish the amount of notes in circulation, by causing them to be returned to the bankers more rapidly for payment. The uniform penny post commenced in January, 1840, and the registry of letters in July, 1841, and these enabled every country banker to send off to London every night the notes of other bankers he had received during the day; and thus the circulation was reduced. The practice of keeping banking accounts had also extended very much, so that, instead of carrying notes in their pockets as formerly, people now lodged their notes with their banker, and made their payments by giving cheques on the bank.

"From these causes it seems probable that the actual issue of the country banks would not have regained its former amount, even if the act of 1844 had never been passed.

"The act, however, had the necessary effect to render the actual circulation less than even the authorised issue. If you apply a maximum to a fluctuating circulation, the average amount must be less than the maximum. If in April, when the circulation is at its highest, the amount is less than the maximum, it will fall still lower in August. The maximum, too, was divided among many banks; each banker was obliged to keep below his share of the maximum, and when all these short-comings are added together they amount to a considerable sum. The penalty too was so great — equal for every offence to the amount of the excess — that prudent bankers kept their circulation much below their maximum, in order to avoid the chance of incurring these heavy penalties.

"There are several circumstances which show that in some instances the Act was felt to be a restriction. Attempts have been made to evade its provisions. The first occurred when Sir Charles Wood was Chancellor of the Exchequer; and he issued a circular letter to the country bankers, stating that if such attempts should be continued he would introduce a more stringent measure. The second took place last year. When the act was passed authorising cheques to be drawn beyond fifteen miles upon a penny stamp, some banks

issued on a penny stamp cheques which in form resembled Bank Notes. The Stamp Act just passed prohibits this practice.

"We have observed, too, in reference to individual banks, that in the returns the fourth week is often less than the three preceding weeks. The average is taken every four weeks. If a banker finds that in the first three weeks he has exceeded his limit, he stops his own issues, and sends to London for a supply of 5*l.* and 10*l.* Bank of England notes. Even this may not be sufficient, and then he sends his clerks round to all the neighbouring banks, asking, 'Have you 'got any of our notes? If you have, we wish to pay them immedi-'ately, in order to keep down our average.' Thus in some instances the country circulation has become in one sense a *regulated* currency. It is so regulated that in every fourth week the amount is less than in either of the three preceding weeks. Another circumstance which shows that the act is felt to be a restriction is, that some joint-stock banks do not issue notes at all their branches. They issue to their authorised amount at a portion of their establishments, and at the rest they issue the notes of the Bank of England.

"A further symptom of the inadequacy of the country circulation, is the increased circulation of the Branches of the Bank of England. In 1836, when the country circulation was 11,700,000*l.* the branch circulation was 3,500,000*l.* In the year 1846, the country circulation was only 7,700,000*l.* and the branch circulation had increased to 6,500,000*l.*

"At the same time we believe that much of the restriction that would otherwise have been felt, has been prevented by a cause to which we have already referred, the extension of the Deposit System of Banking.

"Formerly, to keep a banker was the privilege of a few; now it is the practice of the many. It is easy to perceive how this operates. If all the notes in a town are lodged with the bankers, and the depositors make their payments by cheques, notes are not required; the payment is made by a transfer from one account to another. If the two parties keep accounts with different bankers the effect is the same. For the country bankers make their exchanges with each other daily or weekly, and pay the difference by an order on their London agent. This order again is passed through the clearing, and the differences between the clearing bankers are paid by a draft on the Bank of England. It is thus theoretically possible, that all the monetary transactions of a country may be settled by a system of transfers; and it is practically the fact, that a large proportion of them are so settled; and this amount has, of late years, largely increased, and is still increasing.

"I shall now proceed to notice those fluctuations that have taken place in the country circulation before and since the passing of the Act of 1844. [Mr. Gilbart then makes the following quotation from a preceding work of his own.]

"'We will take the monthly returns of the circulation for the

'period that is past, that is, from the end of September 1833 to the 'end of 1843, and endeavour, by observing their various revolutions, 'to discover if they are governed by any fixed causes or principles— 'to ascertain if those principles are uniform in their operation; and 'if we should discover that the revolutions of the currency are regu- 'lated by any uniform principles, we shall call those principles the 'Laws of the Currency.

"'We shall begin with that portion of the currency which consists 'of notes issued by the Bank of England. On looking over the 'monthly circulation of the Bank of England, given in the Table, 'No. 34, in the Appendix to the Report of 1840, we observe, that 'the circulation of the months in which the public dividends are paid 'is higher than in the subsequent months. Thus, the average circu- 'lation of January is higher than that of February or March. The 'circulation of April is higher than that of May or June. The cir- 'culation of July is higher than that of August or September. And 'the circulation of October is higher than that of November or De- 'cember. This, then, we may consider as one law of the circulation 'of the Bank of England—that it ebbs and flows four times in the 'year, in consequence of the payment of the quarterly dividends. 'This law does not apply to any other bank, as all the government 'dividends are paid by the Bank of England.'

"'On inspecting the monthly returns of the country circulation 'for the last ten years, we find that the highest amount is in the 'month of April: thence it descends, and arrives at the lowest 'point by the end of August, which is the lowest point in the year. 'It gradually increases to November; a slight reaction takes place 'in December; but it then advances until it reaches the highest 'point in April. The general law is, that the country circulation 'always makes one circuit in the year—being at its lowest point in 'August, and advancing to December, and continuing to advance to 'its highest point in the month of April, and then again descending 'to its lowest point in August.'

"'In Scotland the lowest point of the circulation is in March, 'and the highest in November. The advance, however, between 'these two points is not uniform—for the highest of the interven- 'ing months is May, after which there is a slight reaction; but it 'increases again until November, and falls off in December. The 'reason of the great increase in May and November is, that these are 'the seasons of making payments. The interest due on mortgages is 'then settled, annuities are then paid, the country people usually 'take the interest on their deposit receipts, and the servants receive 'their wages. There are frequently large sums transferred by way 'of mortgage. It is the custom of Scotland to settle all transactions, 'large as well as small, by bank notes—not by cheques on bankers, as 'in London. It is remarkable that these monthly variations occur 'uniformly every year, while the amount of the circulation in the 'corresponding months of different years undergoes comparatively 'very little change.'

"'From what we have already said of the laws of the currency, 'those of our readers who are acquainted with Ireland will be able 'to judge beforehand of the revolutions of her circulation. Being 'purely an agricultural country, the lowest points will of course be 'in August or September, immediately before the harvest, and the 'commencement of the cattle and bacon trade. Then it rises rapidly 'till it reaches its highest point in January, and then gradually de-'clines. As an agricultural country, we should naturally expect 'that during the season of increase the circulation would expand 'most in the rural districts; and so we find that the circulation of 'the Bank of Ireland in Dublin expands very moderately — that of 'her branches, which are located chiefly in large towns, expands 'more — while the circulation of the joint-stock banks, which are 'located in the agricultural districts, receives the largest increase. 'Again, the purchases and sales of agricultural produce are known to 'be in small amounts; and hence the notes of the smallest denomi-'nation receive the largest relative increase. The annual changes of the 'Irish circulation are governed chiefly by the produce of the harvest, 'and the prices of agricultural products. These are the laws of the 'circulation of Ireland.'

Mr. Gilbart resumes the subject of his Paper as follows: —

"Our first inquiry, then, shall be, Whether the fluctuations in the country circulation have been governed by the same laws since the passing of the act of 1844 as they were before.

"And we find from the returns, that the country circulation since 1844 *has* fluctuated in the same manner. We find, too, that the country circulation at these two periods (before and after 1844) conform to each other not only in their compliance with these laws, but also in their exceptions to these laws. The years 1835 and 1839 were years of panic, and as panics usually occur at the end of the year, the country circulation at the end of these years was less than in the preceding August. The year 1847 was also a year of panic, and here we find, too, that the circulation was lower in December than in August.

| Year. | April. £ | August. £ | December. £ |
|---|---|---|---|
| 1836 - - - - | 12,403,634 | 11,658,494 | 11,228,594 |
| 1839 - - - - | 12,662,312 | 10,868,785 | 10,698,390 |
| 1847 - - - - | 8,024,168 | 7,133,525 | 5,939,007 |

"We find that each class of banks, private and joint-stock, illustrates the same rule. Both rise and fall at the same time, and are obviously regulated by similar laws.

"We will now proceed to a further analysis of the returns before us. The country circulation is divided into two classes — that of the private banks and that of the joint-stock banks. — We will begin with the amounts which each class of banks is at present Authorised to issue: —

| | |
|---|---|
| 167 Private Banks are authorised to issue - - - | 4,616,609 |
| 65 Joint-Stock Banks are authorised to issue - - | 3,325,857 |
| Total Authorised issue - - - - | 7,942,666 |

"The average issue of the private banks is 27,755*l.*, and of the joint-stock banks 51,167*l.* The highest issue of a private bank is 112,280*l.*, and of a joint-stock bank 442,371*l.* The lowest issue of a private bank is 3,201*l.*, and of a joint-stock bank 1,503*l.*

"By the provisions of the act, if any bank, not having more than six partners, should increase its partners to a greater number than six, it would lose the power of issue. So far as regards the amount of the circulation, this regulation seems unnecessary. Having fixed the maximum which each bank might issue, an increase in the number of its partners, though it might increase the safety of the notes to the public, could not increase the amount in circulation. If, indeed, the object were gradually to reduce or annihilate the country circulation, then this enactment might tend to answer its 'purpose. We stated in 1844, 'Without casting any reflection on 'the private bankers, it may fairly be calculated that in the course of 'a few years their circulation will be less than at present. An unwil-'lingness to publish the amount of their issues, a disposition to retire 'from business, misfortune, death, or other circumstances, may cause 'the withdrawal of the circulation of a country bank, and when once 'withdrawn it can never be restored.'—Since that time 37 country private banks have ceased to issue:—these are—

| | | |
|---|---|---|
| 11 banks *within* the circle of 65 miles, whose fixed issue was | | 110,194 |
| 26 banks *without* the circle | ,, ,, ,, | 426,604 |
| 37 Total. | Total | 536,798 |

"Within the same period 7 joint-stock banks, having a fixed issue of 169,589*l.*, have ceased to issue. The original certified issue of 8,648,853*l.* has thus been reduced to the above sum of 7,942,666*l.*

"We will now classify the country circulation topographically. Within a circle of 65 miles of London, a circle of 130 miles in diameter, there is no joint-stock bank of issue, nor any branch of the Bank of England. The issuing country banks may therefore be divided into those within this circle and those without it. And we then find—

| | £ |
|---|---|
| 47 Private Banks, *within* the circle, are authorised to issue - - - - - | 1,303,318 |
| 120 Private Banks, *without* the circle, are authorised to issue - - - - - | 3,313,291 |

| | |
|---|---|
| 65 Joint-Stock Banks, without the circle, are authorised to issue - - - - | 3,325,857 |
| Total Country Circulation - | 7,942,666 |

" The average circulation of private banks within the circle is 27,730*l.*; and without the circle, 27,765*l.*

" But we have referred only to the Authorised Circulation. We will now take a view of the Actual Circulation.

" We will take that of the year 1853, and refer to the months of April, August, and December.

| | Authorised Circulation. | April. | August. | December. |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| 47 Private Banks, *within* the Circle | 1,303,318 | 1,010,932 | 940,184 | 984,581 |
| 120 Private Banks, *without* the Circle | 3,313,291 | 2,852,361 | 2,708,110 | 2,849,172 |
| 65 Joint-Stock Banks | 3,325,857 | 3,132,388 | 2,984,629 | 3,056,085 |

Taking the Authorised Circulation in each case to be represented by 100, the following will be the proportion of the actual circulation: —

| | April. | Aug. | Dec. |
|---|---|---|---|
| 47 Private Banks - - - - | 100 - 77·5 | - 72·1 | - 75·5 |
| 120 Private Banks - - - - | 100 - 86·8 | - 80·8 | - 84·5 |
| 65 Joint-Stock Banks - - | 100 - 92·5 | - 87·7 | - 89·0 |

" It will thus be seen that, as compared with their respective authorised circulations, the actual circulation of the Private Banks is less than that of the Joint-Stock Banks, and that of the Private Banks within the circle is less than that of the Private Banks without the circle. We cannot assign causes with so much certainty as we can state facts. Within the circle of 65 miles, the notes, which are all payable in London, may be sent there more rapidly for payment, and thus the circulation be reduced. Perchance, too, the non-issuing joint-stock banks may have withdrawn some of the business of the private bankers in that circle, and thus their circulation may have become still further reduced, and that of the Bank of England increased. It is a mistake to suppose that a banker can keep out as many notes as he likes. If his rivals take from him any portion of his deposit or his discount business, his circulation necessarily becomes less. With regard to the private banks and the joint-stock banks beyond the circle, the difference may arise in part from the greater number of the private banks. Supposing, for illustration, that each bank should be 1,000*l.* below its authorised circulation, then the total deficiency of the private banks would be 120,000*l.*, while that of the joint-stock banks would be only

65,000*l.* Perhaps the joint-stock circulation, being issued at so many branches, may remain longer in circulation, or, perchance, the private bankers may purposely keep more within the prescribed limits in order to avoid the chance of incurring the penalties.

"We will now classify the banks of issue according to the Amounts they are respectively authorised to circulate, and we will begin with the Private Banks.

"These number 167 Banks, who are authorised to issue 4,616,609*l.* But the larger portion are for comparatively small amounts. For 27 banks the authorised issue is under 10,000*l.* each. 52 banks have above 10,000*l.* and under 20,000*l.*; 31 banks are under 30,000*l.*; 20 banks are under 40,000*l.*; and 18 banks are under 50,000*l.* each. The total authorised circulation of these 148 banks is 3,241,476*l.* Of the remaining 19 banks, who have a circulation each of above 50,000*l.*, only 2 are above 100,000*l.* It is evident, therefore, that no very large portion of the country circulation is dependent on any one of these banks. It may be also stated that these 167 banks form, with their branches or agencies, 341 banking establishments.

"The Joint-Stock Banks of Issue are 65, and they are authorised to issue to the extent of 3,325,857*l.* It may be sufficient here to state that only 5 of these banks have an authorised circulation above 100,000*l.* each; and these 5 banks have among them 147 branches.* It may also be added that every shareholder is answerable to the whole extent of his property for all the notes issued by the banks; — a circumstance which adds to the security of this portion of the country circulation.

"We will now compare the circulation of the Country Banks with the Country Circulation of the Bank of England.

"We have been accustomed in former years to think of the Bank of England as a London bank, and to think of the country circulation as having the exclusive possession of the country. This is not now the case. In London the circulation consists exclusively of the notes of the Bank of England. Here there are 58 Private and 23 Joint-Stock Banking establishments that issue nothing else. Out of London, and within a circle of 65 miles, there are 100 private banking establishments that issue about a million of notes; but there are 23 private banking and 73 joint-stock banking establishments that issue only the notes of the Bank of England. Beyond 65 miles from London there is a circulation of above three million issued by 241 private banking establishments; and about three millions more issued by 404 joint-stock banking establishments; but the 11 branches of the Bank of England, all located in this district, have probably a larger circulation than all these banks put together. And besides this, a large portion of the notes issued by

* "Under the word 'branches' we include sub-branches and agencies."

the parent establishment in London circulate in this district, or are found in the tills of its 647 banking establishments. Banks in the same locality as a branch of the Bank of England, will keep in their tills some of the notes of the branch, because they can obtain gold for them without sending to London. But in places distant from the branches, the notes kept by bankers are those that have been issued in London.

"And here we may notice a peculiarity of the Branches of the Bank of England as banks of Issue.

"They act to only a small extent as banks of deposit. In consequence of not allowing interest on deposits, they have not attracted any large amount from the country banks. From the returns laid before Parliament in the year 1848, it appears that the deposits in all the branch banks put together amounted to only about a million. Considering that the branches are established in large towns, and have been in existence for twenty years, this amount is far from considerable.

"We will now compare the Country Circulation with the Total Circulation of the Bank of England. By the circulation of the Bank of England, I mean the amount of her notes which are in the hands of the public.

"In the year 1836, the Bank of England had above three-fifths of the circulation, and the country bankers about two-fifths. The average of the quarter ending June, 1836, of the former, was 17,184,000*l.*, and the latter 12,202,196*l.* From this time the country circulation gradually declined, and in 1844, Sir Robert Peel fixed its maximum at 8,648,953*l.*, while that of the Bank of England was at the time 20,228,060*l.* Latterly, the country circulation has usually been about 7,000,000*l.*, while that of the Bank of England has varied from 20 to 23,000,000*l.* The Bank of England has therefore at present three-fourths of the circulation, and the country banks one-fourth. The former, too, has the power of increase, while that of the latter is sure to decline.

"The act anticipated such a decline, and provides that if any of the then existing banks should cease to issue, the Bank of England might upon application receive from the Lords of the Treasury permission to extend her issues upon securities to two-thirds of the sum withdrawn. Such a decline has taken place. Thirty-seven private banks, whose authorised issue amounted to 536,798*l.*, have ceased to issue; and seven joint-stock banks, whose authorised issue amounted to 169,589*l.*, have ceased to issue. This makes a total of 706,387*l.*, and consequently the Bank of England may upon application receive power to issue upon securities the additional sum of 470,925*l.*, making her total issue upon securities 14,470,925*l.* But as all the profit on the increased issue must go to the government, the Bank can have no inducement as a matter of profit to make the application. * * * *

"We will now compare the Issuing Banks with the Non-Issuing

Banks. By a non-issuing bank, I mean a bank that does not issue its own notes. I believe all the non-issuing banks issue exclusively the notes of the Bank of England; they do not re-issue even the notes of other banks that they receive from their customers, but forward them immediately for payment. There is no bank of issue in London except the Bank of England. Within 65 miles of London there are 47 private banks of issue, making with their branches or agencies 100 banking establishments; within this circle there is no joint-stock bank of issue; beyond 65 miles from London there are 120 private banks of issue, making with their branches or agencies 241 banking establishments, and 65 issuing joint-stock banks, making with their branches or agencies 404 banking establishments: thus the total number of issuing banking establishments in England and Wales is 745.

The Non-Issuing banking establishments in England and Wales are as follows: —

| | | | |
|---|---|---|---|
| In London - | - Private banks - - - - - - - | - 58 | |
| Ditto | Joint-stock establishments - - | - 23 | |
| | Total in London - - | — | 81 |
| Within 65 miles, | Private banking establishments - | - 23 | |
| ,, | Joint-stock banking establishments | - 73 | |
| | | — | 96 |
| Beyond 65 miles, | Private banking establishments - | - 92 | |
| ,, | Joint-stock banking establishments | - 86 | |
| | | — | 178 |
| | Total in England and Wales - - - | | - 355 |
| | Add Issuing banking establishments | | - 745 |
| | Total banking establishments | | -1100* |

"The number of places that have banking establishments within 65 miles is 123, and beyond that distance 443; so that, including London, there are in England and Wales 567 places which unitedly are blessed with the advantages of eleven hundred banking establishments.

"In the circle within 65 miles of London, most of the non-issuing joint-stock banking establishments are branches of a joint-stock bank, the head-office of which is in London. The head-offices of the other is at Aylesbury.

"Beyond the 65 miles the head-offices of the non-issuing joint-stock banks are generally in places where there are branches of the Bank of England.

"And here, for the use of those who are not familiar with the history of our subject, it may be proper to repeat, that, previous to the act of 1844, the Bank of England had arranged with several joint-stock and private banks to discount for them at one per cent. less than their usual rate of interest, provided they would issue none

* These are exclusive of the Bank of England and her eleven branches.

but Bank of England notes. The act of 1844 suppressed these agreements, and at the same time prohibited these banks resuming their issue. But as a compensation they were entitled to receive annually one per cent. upon the amount of Bank of England notes they should keep in circulation. But this compensation is to cease on the 1st August, 1856. A schedule attached to the act gives the names of these banks. The list contains four Liverpool joint-stock banks and two private banks. It is, we presume, in consequence of these agreements, that we find many of the non-issuing joint-stock banks are located in places where the Bank of England has branches. The following are the localities of the non-issuing joint-stock banks: 6 in London, 5 in Liverpool, 3 in Manchester, 3 in Birmingham, 2 in Newcastle-on-Tyne, 1 in Ashton, Bolton, Stockport, Aylesbury, Bury, Plymouth, Swansea, Southampton, Portsmouth, Preston, and Sheffield — making a total of 30 banks. These banks have among them 148 branches — making a total of head-offices and branches of 178 banking establishments.

"But here I must stop to notice the banks of Liverpool. Liverpool has no fewer than 12 banking establishments. These are, a branch of the Bank of England; four non-issuing private banks; one issuing joint-stock bank, having branches throughout Wales, but which does not issue notes in Liverpool; five non-issuing joint-stock banks; and a non-issuing branch of the Manchester and Liverpool District Bank, whose head-office is at Manchester. Out of London there is no place in England which has so many banks as Liverpool, nor is there any place which has so many joint-stock banks. Besides a branch of the Manchester and Liverpool District Bank, Liverpool has six independent joint-stock banks: Manchester has but three— Bristol has but two — Leeds has but two — Newcastle-on-Tyne has but two — but Liverpool can boast of six.

"None of the banks in Liverpool issue notes. We have already stated in part the cause of this. The trade of the Manchester and Liverpool District gave rise to a large number of bills. The bankers found it more to their interest to re-issue the bills they had discounted than to issue their notes. Such was the case until the Panic of 1825. The Bank of England then put down a Branch at Liverpool, and soon afterwards joint-stock banks were established here. The branch bank offered, as we have stated, to discount for the joint-stock banks at one per cent. less than the rate charged to other parties, provided the banks would not issue notes nor re-issue bills. This arrangement suited both parties; the Branch Bank got a circulation for its notes, the Joint-Stock Banks (whose customers always wanted capital) got their bills discounted at a rate which compensated them for the want of issue either of notes or bills, while, at the same time, they obtained a sort of connection with the Bank of England which at that time was of importance to young banking establishments. The act of 1844 abolished these bargains between the Branch Banks and other Banks; but at the same time it prohibited these banks from becoming banks of issue. Hence, all the banks of Liverpool have necessarily remained non-issuing banks,

and they have shown that banks may become wealthy and prosperous without having the power of issuing notes.

"We will now compare the Country Circulation of England with the Circulation of Scotland and Ireland.

"On looking over the rows of figures denoting the circulation of England, Scotland, and Ireland, we may observe that since the act of 1844 the laws of the currency as affecting their monthly variations are the same as before.

"In England the circulation is high in April and low in August.

"In Scotland it is low in March and high in November.

"In Ireland it is high in January and low in September.

"These have occurred with so much uniformity during the last ten years, as to show the operation of fixed causes.

"At the same time the Annual average Amount of the Circulation shows the operation of local causes connected with the circumstances of the respective countries.

"In Ireland, in consequence of the Famine, the circulation fell considerably below the authorised amount. The authorised issue formed upon the average of the year ending May 1, 1845, was 6,354,494*l.* In the year 1849 the actual issue was so low as 4,310,283*l.*

"In Scotland the authorised issue was 3,087,209*l.*, but in consequence, it is presumed, of the briskness of trade, and the sums expended in constructing public works, the actual issue has usually been higher than the authorised amount.

"This requires explanation. It may be asked, 'How can a bank exceed its authorised issue?' We reply, that not only are the laws of the currency different in Scotland and Ireland from what they are in England, but the laws of the State are also different. In England should any bank exceed its authorised issue it would incur a penalty equal to the amount of the excess; but in Scotland and Ireland a bank may exceed its authorised issue, provided it has in its coffers an amount of gold equal to this excess.

"But why this difference should exist is a question not easy to answer. It is said that Bank of England notes are not a legal tender in Scotland or Ireland, and hence they keep sovereigns: A sound satisfactory reason as regards Scotland and Ireland. But why should not England have the power of issuing against Bank of England notes? It may be said that the English banks may issue Bank notes if they please, and thus reduce their own circulation. And sovereigns if they please; and the banks of Ireland and Scotland may issue sovereigns then should they please, and thus reduce their circulation. Why should not the English banks be permitted to extend their circulation against Bank of England notes, in the same way as the banks of Scotland and of Ireland can extend their circulation against sovereigns relieved from must? By this means the English bankers would be relieved from much anxiety in regard to the amounts of their notes in circulation, and now incur. It is indered less liable to the heavy penalty they may notes in circulation be that in certain seasons the amount of country land would be less. ald be larger, and those of the Bank of Eng- it then the notes of the Bank of England,

instead of being in the hands of the public, would be in the tills of the bankers. This arrangement would place the country bankers of England upon the same footing as those of Scotland and Ireland.

"But there is still another difference in the laws of 1844 and 1845, with reference to England, and to Scotland and Ireland.

"In Ireland and Scotland two banks of issue may unite, and the united bank have the united circulation. In England, if two banks of issue, either of which has more than six partners, should unite, the circulation of one or both of these banks would be lost. Unions of banks in either Ireland or Scotland are not very likely, nor perhaps desirable. The banks are large, have a respectable capital, and enjoy the public confidence. In England many banks are small, and have small capitals. Union among them would be highly beneficial. Yet such is the waywardness of legislation, that the acts of 1844 and 1845 give facilities to unions in Ireland and Scotland, and restrict them in England.

"There is another difference between England and Ireland. If any banks cease to issue, the Bank of England may extend her issue to two-thirds of the amount withdrawn. In a similar case, the Bank of Ireland may extend her issues to the whole amount thus withdrawn. Why this difference? —We do not know.

"But the most important circumstance in which the banks of Scotland and Ireland differ from those of England, is in their power to issue notes Under *5l.* That portion of our currency in England which is under *5l.* consists of gold and silver Coin. * *

I further extract from the appendix to Mr. Gilbart's Paper the two following Tables, showing: —

(A), by means of the Official Returns of the Circulation, the constant operation of the General Laws of Fluctuation;

And also showing (B) the very few cases in which any single Country Bank possesses a large amount of circulation.

(A.) COUNTRY CIRCULATION *of* ENGLAND *and* WALES. —*STATEMENT of the aggregate* CIRCULATION *of* PRIVATE *and* JOINT-STOCK BANKS *in the Months of* APRIL, AUGUST, *and* DECEMBER, *both before and after the passing of the Act of* 1844; *designed to show that, according to the uniform Result, the Highest Circulation is in* APRIL *and the lowest in* AUGUST.

(I.) PRIOR TO THE ACT OF 1844.

| Months. | 1834. | '35. | '36. | '37. | '38. | '39. | '40. | '41. | '42. | '43. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Mins. £ | Mins. £ | Mins. £ | Mins. £ | Mins. £ | Mins. £ | Mins. £ | Mins. £ | Mins. £ | Mins. £ |
| Apl. - | 10·65 | 11·02 | 12·40 | 11·12 | 11·80 | 12·66 | 11·48 | 10·79 | 8·64 | 8·10 |
| Aug. - | 9·97 | 10·39 | 11·66 | 9·93 | 11·17 | 10·87 | 9·80 | 9·06 | 7·97 | 7·11 |
| Dec. - | 10·17 | 10·83 | 11·23 | 10·36 | 11·76 | 10·70 | 9·75 | 8·52 | 7·78 | 8·06 |

(II.) Subsequent to the Act of 1844.

| Months. | 1844. | '45. | '46. | '47. | '48. | '49. | '50. | '51. | '52. | '53. | '54. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| April - | 9·05 | 7·98 | 8·04 | 8·02 | 6·62 | 6·48 | 6·56 | 6·47 | 6·49 | 6·99 | 7·05 |
| Aug. - | 7·49 | 7·50 | 7·52 | 7·13 | 5·95 | 5·78 | 6·02 | 5·79 | 6·17 | 6·63 | 6·33 |
| Sep. - | 7·48 | 7·67 | 7·67 | 5·94 | 6·07 | 6·13 | 6·13 | 6·05 | 6·55 | 6·89 | 6·92 |

(B.) *Country Circulation of England and Wales in December* 1853, *analysed; with the Average Amounts in which it is held by the several Private and Joint-Stock Banks; designed to show that the Average Amount of Circulation to each Bank is comparatively small.*

Private Banks.

| No. of Banks. | Average actual Circulation of *each Bank* in Dec. '53. £ |
|---|---|
| 27 | 5,000 |
| 52 | 11,200 |
| 31 | 20,200 |
| 20 | 29,900 |
| 18 | 40,000 |
| 148 | 18,000 |
| 7 | 45,300 |
| 2 | 52,700 |
| 4 | 68,300 |
| 4 | 71,200 |
| 2 | 94,600 |
| 19 | 62,000 |
| 167 | 22,500 |

Total Circulation £3,777,000

Joint-Stock Banks.

| No. of Banks. (Head Offices.) | Total No. of Branches. | Average authorised Circulation to *each Bank*. £ |
|---|---|---|
| 8 | 4 | 7,100 |
| 10 | 7 | 14,200 |
| 13 | 35 | 25,400 |
| 10 | 16 | 35,300 |
| 3 | 4 | 47,100 |
| 6 | 42 | 55,000 |
| 4 | 30 | 63,200 |
| 2 | 27 | 73,700 |
| 3 | 19 | 84,600 |
| 1 | 8 | 94,600 |
| 5 | 147 | 244,400 |
| 65 | 339 | 51,100 |

Total Circulation £3,325,000

The following Table (C.) collects into a Summary form the whole of the Component Parts of the Circulation of the United Kingdom from 1834 to 1854.

The col. (3.) of the Circulation of the *Branches* of the Bank of England, and the col. (7.) of the Total Country Circulation of England and Wales, very closely balance each other. As the Country Circulation has declined the Branch Bank Circulation has risen.

The Irish Circulation after 1846 was so powerfully influ-

enced by the Famine, that its fluctuations during the last seven years of the Table must be regarded as wholly exceptional.

In the cols. (8. and 11.) of the Total Circulation of Great Britain, and of the United Kingdom, we see that so fully have increased means of enconomising Circulation kept pace with increase of population and trade, that the *aggregate* amount of Bank notes of all kinds in use in 1854 was scarcely more than in 1834.

(C.) BANK NOTE CIRCULATION *of the* UNITED KINGDOM, 1834—1854.—*STATEMENT of the ANNUAL AVERAGES of each YEAR as regards the BANK of ENGLAND, the PRIVATE and JOINT-STOCK BANKS of ENGLAND and WALES, the BANKS of SCOTLAND, and those of IRELAND.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Years ended 31 Dec. | Bank of England (including B. P. Bills). | | | Private and Joint-Stock. England and Wales. | | | Total of *England & Wales.* | Total of *Scotland* | Total of *Ireland.* | *Total Circulation of United Kngdm.* | Average of *Bullion* in Bank of Eng. |
| | London. | Brnchs. | *Total.* | Private. | Jnt. Sk. | *Total.* | | | | | |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1834 | 15·61 | 3·21 | 18·82 | 6·62 | 3·66 | 10·28 | 29·10 | 3·12 | 5·22 | 37·44 | 8·40 |
| '35 | 14·97 | 3·25 | 18·27 | 6·67 | 4·03 | 10·70 | 28·97 | 3·09 | 5·18 | 37·24 | 6·39 |
| 1836 | 14·23 | 3·59 | 17·82 | 6·86 | 4·91 | 11·77 | 29·59 | 3·21 | 5·50 | 38·30 | 6·29 |
| '37 | 14·46 | 3·83 | 18·29 | 6·58 | 4·03 | 10·61 | 28·90 | 2·99 | 5·12 | 37·01 | 5·97 |
| '38 | 14·96 | 3·99 | 18·95 | 6·90 | 4·52 | 11·42 | 30·37 | 3·11 | 5·63 | 39·11 | 9·71 |
| '39 | 13·58 | 4·09 | 17·67 | 7·17 | 4·54 | 11·71 | 29·38 | 3·25 | 5·85 | 38·48 | 4·36 |
| '40 | 12·82 | 4·01 | 16·83 | 6·53 | 3·93 | 10·46 | 27·29 | 3·24 | 5·39 | 35·92 | 4·15 |
| 1841 | 12·73 | 4·21 | 16·94 | 6·13 | 3·60 | 9·73 | 26·67 | 3·19 | 5·35 | 35·21 | 4·70 |
| '42 | 13·56 | 4·88 | 18·44 | 5·30 | 3·01 | 8·31 | 26·75 | 2·82 | 5·11 | 34·68 | 8·10 |
| '43 | 14·09 | 5·43 | 19·52 | 4·69 | 2·95 | 7·64 | 26·16 | 2·75 | 5·16 | 34·07 | 11·70 |
| '44 | 14·70 | 6·51 | 21·21 | 4·78 | 3·39 | 8·17 | 29·38 | 3·02 | 5·94 | 38·34 | 15·32 |
| '45 | 14·60 | 7·13 | 21·73 | 4·51 | 3·19 | 7·70 | 29·43 | 3·29 | 6·95 | 39·67 | 15·33 |
| 1846 | 14·48 | 6·77 | 21·25 | 4·55 | 3·17 | 7·72 | 28·97 | 3·40 | 7·26 | 39·63 | 14·68 |
| '47 | 13·48 | 6·53 | 20·11 | 4·54 | 3·09 | 7·63 | 27·74 | 3·55 | 6·01 | 37·30 | 10·61 |
| '48 | 13·24 | 5·83 | 19·07 | 3·66 | 2·60 | 6·26 | 26·33 | 3·33 | 4·75 | 34·41 | 13·76 |
| '49 | 13·59 | 5·90 | 19·49 | 3·56 | 2·63 | 6·19 | 25·68 | 3·22 | 4·23 | 33·13 | 15·16 |
| '50 | 14·36 | 6·26 | 20·62 | 3·58 | 2·74 | 6·32 | 26·94 | 3·22 | 4·51 | 34·77 | 16·60 |
| 1851 | 14·21 | 6·42 | 20·63 | 3·46 | 2·74 | 6·20 | 26·83 | 3·24 | 4·46 | 34·53 | 14·56 |
| '52 | 16·22 | 6·94 | 23·16 | 3·55 | 2·86 | 6·41 | 29·57 | 3·40 | 4·82 | 37·79 | 20·58 |
| '53 | 16·22 | 7·81 | 24·03 | 3·80 | 3·05 | 6·85 | 30·88 | 3·80 | 5·65 | 40·33 | 17·55 |
| '54 | 14·45 | 7·38 | 21·83 | 3·77 | 3·03 | 6·80 | 28·63 | 4·05 | 6·29 | 38·97 | 13·87 |

# APPENDIX XI.

CIRCULATION OF BILLS OF EXCHANGE DURING EACH QUARTER OF EACH OF THE TWENTY-FOUR YEARS 1830–53; AND STATEMENTS RELATIVE TO THE AMOUNT OF FUNDS EMPLOYED IN THE LONDON MONEY MARKET, AND HELD BY BANKERS IN THE UNITED KINGDOM.

## (1.) *Data and Methods employed to ascertain the Amount of the Bill Circulation.*

IN the year 1849, I was led to take considerable pains in order to arrive at results reasonably approximative, and founded on data more or less complete, of the Magnitude and Fluctuations of the Amount of Bills of Exchange created in the course of each year in the United Kingdom, but more especially in Great Britain.

It was necessary to ascertain three elements before any progress could be made in such an inquiry; namely, first, the number of Bills actually created in each year; second, the Average Sum represented by, or expressed by, each Bill; and third, the Average Usance or Date at which each Bill was drawn.

The first element could be obtained accurately from the accounts preserved at the Stamp Office. The second and third points could only be satisfactorily ascertained by the systematic inspection of a large mass of Bills actually current in the different commercial districts of the country. To accomplish such an inspection, and record the needful particulars in a prearranged form, was by no means an easy matter. However, I was enabled in various ways, in the course of 1849, to obtain the results of a satisfactory and careful inspection of as many as 4367 Bills actually current, representing a Total Amount of 1,218,884*l.*

With the Data thus obtained, I applied myself early in 1850 to the construction of a Table of the *Annual Average* Bill Circulation of the Twenty Years 1828–47; and the results were

stated in a Paper of some length in the Statistical Journal (vol. xiv.) for May, 1851.

Perhaps the most important conclusion made clearly apparent by that Table, was, the entirely erroneous nature of the doctrines which had been held by very high authorities;—to the effect, that the Bill Circulation was governed by the Bank Note Circulation; and that in point of fact any contraction of Bank Notes or of Credit was immediately followed by a still more marked *contraction* in the amount of Bills of Exchange.

The Table showed very plainly that not only was this doctrine not true, but that it was the very opposite of the truth; for it appeared that, whenever there was any contraction of Bank Notes, or of Credit as indicated by a rise of the Rate of Discount,—the amount of Bills of Exchange was at once largely *expanded*.

These questions, and some others relating to the general subject, are discussed in the Paper in the Statistical Journal, and to it I would accordingly refer.

I was led, however, in that Paper, to undertake certain inquiries relative to the Amount of Funds, at the command, in 1850, of the different classes of Banks in the United Kingdom, and especially of the Amount of Funds then (1850) employed in what is called the London Money Market; and these portions of the Paper I introduce as the second and third divisions of the present Appendix. (See pages 593 and 599.)

The six years which have elapsed since they were written, have not led me to modify my views of the general nature and connection of the facts considered in those Sections; but, as will appear presently, I have been led considerably to increase my estimate of the amount of Funds *now* (1856) employed.

My Basis of Calculation, as derived from the Data collected in 1849, although satisfactory in many respects, was never considered by me to be so extensive as to justify conclusions of the most positive kind.

For a long time, my leisure did not permit me to pursue the subject further.

But at length, in 1854, I was again enabled to resume the investigation, and to obtain Returns of a further amount of Bills of Exchange actually current, amounting to no less a sum than 5,254,100*l.*; the number of Bills being 12,687.

These Returns were obtained in London, in Scotland, and in various parts of England and Ireland, and they were obtained in a manner, and from sources, which satisfied me that they represented fairly the general business of the country.

Combining the Returns of 1854 with the Returns obtained in 1849, my Basis of Calculation for the two vital elements of the *Average Amount per Bill*, and the *Average Usance per Bill*, was raised to the satisfactory level of 17,054 separate and systematic observations, obtained from the same number of Bills representing the large sum of 6,472,984*l.*

And the facts thus ascertained were the more valuable because, unless the Returns had been obtained in 1854, it would have become impossible to obtain them at all as regards the Scale of Stamp Duties which was in force from 1815 to 1854; for the remodelling of the Stamp Duties on Bills of Exchange which formed part of Mr. Gladstone's financial scheme in 1854, came into force at the close of that year, and introduced an entirely new range of duties.

Having, therefore, at length, obtained a satisfactory Basis of Calculation, the next step was to obtain such a Return from the Stamp Office as would enable me to determine the amount of the Bill Circulation; not merely for the whole of each Year, but for the *Several Quarters* of each year — in order that the variations of the Bill Circulation might be compared with greater exactness with variations in the Bank Note Circulation, and with variations in the Rate of Interest.

Through the kindness of Mr. Glyn, such a Return as I required was obtained in the session of 1854 (Parl. P. 474/54), furnishing the amount of Stamp Duty under each kind of Stamp in England, Scotland, and Ireland respectively for *each* Quarter for the Twenty-four years 1830–53, both inclusive.

I had now obtained all the elements necessary to construct a Table of the Bill Circulation in each division of the United Kingdom for each period of three months for the quarter of a century from 1830 to 1853; but the process of reduction was a formidable task, and involved very considerable labour.

I will say merely that I have completed so much of the process as enables me to introduce in this Appendix a Table of the Bill Circulation of *England and Wales* for the period in question; and the Table for England and Wales is by far the most important of the series.

At some date, I hope not very distant, I purpose laying the

whole of the Results before the Statistical Society in a Paper, which will complete the memoir already inserted in the Journal of the Society, for May, 1851.

I may state, in general terms, that the extensive collection of data obtained in 1854, did not differ very materially in its results from the data obtained in 1849. There were variations, however, of some importance, and these will be fully discussed in the further Paper to be prepared.

It was a leading feature of the Inquiry of 1849 to divide the Inland Bills into Three Groups, representing: —

By Group I. the Small Bills drawn upon the smaller Retailers, and drawn by Retailers upon Consumers;

By Group II., the Medium Bills drawn by Wholesalers and Manufacturers upon Retailers and other Intermediate Dealers;

And by Group III., the Large Bills drawn by Importers on Manufacturers and Wholesalers, and by Manufacturers and Wholesalers on Exporters.

According to the Combined Data of 1849 and 1854, in Group I., the *Average Amount* per Bill is 22*l.* 6*s.*, and the *Average Usance* 3·14 months; — in Group II., the *Average Amount* is 127*l.*, and the *Average Usance*, 3·45 months; — and in Group III., the *Average Amount* is 1055*l.* 18*s.*, and the *Average Usance*, 4·20 months.

In the Table (A.) which follows, a Statement is given of the amount of Inland Bills under these Three Groups, *drawn or created* in England and Wales in each period of three months 1830–53. It will be easily understood, that in a statement by *quarters of a year*, the element of *usance* does not come into operation. That element will be required when we have to ascertain the Average *Annual* Amount of Bills in circulation *at one time* during each year.

In 1850 I was led to the conclusion, that the Average Amount of Bills of Exchange in Circulation *at one time* in the United Kingdom, including Foreign Bills, was about 150 *Millions Sterling*, or more than four times the amount of Bank Notes of all descriptions.

I have not yet arrived at the general result of my extended data of 1854, but my impression is, that it will justify the conclusion:—That at this time (1856), the Total Bill Circulation (Inland and Foreign) of the United Kingdom is constantly

not much less than 180 *Millions*, or *probably*, 200 Millions *Sterling*.

Referring to the annexed Table (A.), we find the remarkable results;—that from 1830 to 1853, the *Small Bills* have materially decreased in Total amount; and that the *Medium Bills* have increased in a very trifling degree. The great increase in Total amount, and the great fluctuations, are in the Large Bills, representing wholesale operations.

The constant and close connection between augmentations of the Bill Circulation and the occurrence of difficulties and pressure in the Money Market is shown very clearly by the figures relating to at least six of the years included in the Table. For example:—

(1.) In 1835, the financial difficulties which commenced after July, had the effect of raising at once the amount of the Bill Circulation by nearly 25 per cent., or from 64 millions to 78 millions.

(2.) In 1837, the pressure of the Autumn raised the Total amount of Bills from 74 to 82 millions.

(3.) In 1839, a similar pressure raised the amount from 74 to 82 millions.

(4.) In 1841, the same cause produced an advance from 61 to 76 millions.

(5.) In 1846, in the first three months of the year, the pressure they experienced raised the amount of Bills from 69 to 79 millions.

And (6.) in 1853, the rise of interest in the autumn increased the Bills from 75 to 88 millions.

The facts, therefore, seem to justify an entire rejection of the Hypothesis so long held;—to the effect that a rise of the rate of Interest, and a contraction of Banking facilities, operate with augmented force in *diminishing* the amount of the Bill Circulation.

We find that the precise contrary of this hypothesis is most conformable to the fact.

And it is probable that the following Table of the Fluctuations of the Bill Circulation of England and Wales from 1830 to 1853, is among the strongest illustrations that have hitherto been obtained of the comparatively insignificant extent of influence exerted by oscillations in the outstanding amount of Bank Notes;—and of the magnitude and strength of the influence constantly exerted by Capital and Credit.

(A.) BILLS OF EXCHANGE.—(INLAND BILLS.)—ENGLAND AND WALES.—*STATEMENT of the TOTAL AMOUNTS Drawn or Created during each Quarter of the TWENTY-FOUR YEARS* 1830—1853, *distinguishing the Three Groups of SMALL, MEDIUM, and LARGE BILLS; with a Collateral Col. of the RATE of INTEREST in London on FIRST CLASS BILLS during each Quarter.*

[The Bills included in Group I. may be called *Small Bills*, and represent chiefly Drafts upon small Retailers, and Drafts by Retailers on Consumers. According to the Bankers' Returns (that is, according to the Data collected in the manner explained at page 585. *antè*), the *Average Amount* of the Bills in this Group is 22*l.* 6*s.*, and the *Average Usance*, 3·14 months.

Group II.—*Medium Bills*—represent chiefly Drafts by Wholesalers and Manufacturers upon Retailers. The *Average Amount* is 127*l.*, and the *Average Usance* 3·45 months.

Group III.—*Large Bills*—represent chiefly Drafts by Importers on Manufacturers and Wholesalers, and by Manufacturers and Wholesalers on Exporters. The *Average Amount* is 1055*l.* 18*s.*, and the *Average Usance* 4·20 months.]

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| Three Months ended 5th of | I. Small Bills. | II. Medium Bills. | III. Large Bills. | TOTAL. | Market Rate of Interest. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | p. ct. p. ann. |
| 1830. Apl. | 6·03 | 23·32 | 21·98 | 51·33 | 3 @ 2¾ |
| July | 5·74 | 22·21 | 21·05 | 49·00 | 2¾ . 2½ |
| Oct. | 5·50 | 21·60 | 22·15 | 49·25 | 2½ . – |
| Jan. | 4·90 | 20·61 | 22·08 | 47·59 | 2¼ . 4 |
| 1831. Apl. | 5·67 | 23·30 | 23·74 | 52·70 | 3 . 3½ |
| July | 5·45 | 22·87 | 23·89 | 52·21 | 3½ . 4 |
| Oct. | 5·45 | 23·42 | 24·70 | 53·57 | 4 . 3½ |
| Jan. | 5·06 | 21·75 | 22·05 | 48·86 | 4 . – |
| 1832. Apl. | 5·50 | 22·63 | 22·98 | 51·11 | 4 . 3¼ |
| July | 5·50 | 22·61 | 20·17 | 48·28 | 3¼ . – |
| Oct. | 4·91 | 21·37 | 20·86 | 47·13 | 3 . – |
| Jan. | 4·77 | 20·77 | 22·00 | 47·54 | 2¾ . – |

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| Three Months ended 5th of | I. Small Bills. | II. Medium Bills. | III. Large Bills. | Total. | Market Rate of Interest. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | p. ct. p. ann. |
| 1833. Apl. | 5·35 | 23·28 | 22·21 | 50·84 | 2¾ @ 2¼ |
| July | 5·05 | 22·25 | 20·99 | 48·30 | 2¼ . 2½ |
| Oct. | 5·03 | 21·94 | 24·67 | 51·63 | 2½ . 3 |
| Jan. | 5·46 | 26·54 | 36·12 | 68·12 | 3 . 3½ |
| 1834. Apl. | 4·91 | 22·50 | 25·90 | 53·30 | 3½ . 2¾ |
| July | 4 81 | 22·30 | 23·83 | 50·93 | 3 . 3¼ |
| Oct. | 4·95 | 23·25 | 27·43 | 55·63 | 3¼ . 4 |
| Jan. | 4·59 | 21·72 | 25·46 | 51·77 | 3¾ . – |
| 1835. Apl | 5·11 | 23·42 | 28·15 | 56·69 | 3¾ . 3½ |
| July | 5 24 | 24·68 | 27·87 | 57·19 | 3¾ . 4 |
| Oct. | 5·12 | 23·80 | 29·36 | 58·28 | 4 . 3½ |
| Jan. | 4·69 | 22·83 | 29·87 | 57·39 | 3¾ . – |
| 1836. Apl. | 5·30 | 26·08 | 32·64 | 64·02 | 3¾ . 3½ |
| July | 5 23 | 25·12 | 34·49 | 64·84 | 3¼ . 4 |
| Oct. | 5·48 | 28·49 | 44·09 | 78·06 | 4 . 5 |
| Jan. | 5·02 | 26·15 | 42·20 | 73·37 | 5 . 6 |
| 1837. Apl. | 5·39 | 26·73 | 42·36 | 74·47 | 6 . 5 |
| July | 5·51 | 25·53 | 31·99 | 63·02 | 5 . 4½ |
| Oct. | 5·32 | 25·23 | 32·59 | 63·14 | 4½ . 3½ |
| Jan. | 5·01 | 24·41 | 28·68 | 58·11 | 3½ . 3¼ |
| 1838. Apl. | 5·35 | 25·28 | 32·91 | 63·54 | 3½ . 3 |
| July | 5·42 | 25·26 | 32·20 | 62·88 | 2¾ . – |
| Oct. | 5·52 | 27·48 | 38·78 | 71·78 | 3 . 3½ |
| Jan. | 4·87 | 26·16 | 37·14 | 68·16 | 3½ . – |
| 1839. Apl. | 5·41 | 27·80 | 39·66 | 72·87 | 3¾ . – |
| July | 5·47 | 28·67 | 39·84 | 73·98 | 3¾ . 5 |
| Oct. | 5·54 | 30·07 | 46·42 | 82·03 | 5½ . 6½ |
| Jan. | 5·02 | 27·87 | 41·80 | 74·69 | 6½ . 7½ |

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| Three Months ended 5th of | I. Small Bills. | II. Medium Bills. | III. Large Bills. | Total. | Market Rate of Interest. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | p. ct. p. ann. |
| 1840. Apl. | 5·67 | 29·49 | 41·59 | 76·75 | 7 @ 4¾ |
| July | 5·54 | 28·68 | 39·41 | 73·63 | 4¾ . 4½ |
| Oct. | 5·78 | 29·67 | 43·88 | 79·33 | 4½ . – |
| Jan. | 5·08 | 27·12 | 38·46 | 70·67 | 5 . 6 |
| 1841. Apl. | 5·73 | 29·01 | 40·76 | 75·51 | 6 . 5 |
| July | 5·54 | 27·37 | 27·47 | 60·39 | 4½ . 5 |
| Oct. | 5·57 | 27·90 | 42·93 | 76·41 | 5 . – |
| Jan. | 4·94 | 24·27 | 34·94 | 64·15 | 5 . 4½ |
| 1842. Apl. | 5·56 | 25·47 | 36·92 | 67·94 | 5 . 3½ |
| July | 5·34 | 24·42 | 34·05 | 63·82 | 3½ . – |
| Oct. | 5·29 | 23·74 | 33·48 | 62·51 | 3½ . 2½ |
| Jan. | 4·87 | 22·24 | 28·06 | 55·17 | 2¾ . 2¼ |
| 1843. Apl. | 5·24 | 23·17 | 30·93 | 59·34 | 2½ . 2 |
| July | 5·38 | 23·09 | 28·70 | 57·17 | 2 . 2¼ |
| Oct. | 5·21 | 22·68 | 31·34 | 59·24 | 2 . – |
| Jan. | 4·73 | 21·49 | 28·68 | 54·89 | 2 . 2¼ |
| 1844. Apl. | 5·24 | 23·63 | 33·36 | 62·23 | 2¼ . 2 |
| July | 5·07 | 23·09 | 31·13 | 59·29 | 2 . 1¾ |
| Oct. | 5·24 | 24·13 | 35·98 | 65·35 | 1¾ . – |
| Jan. | 4·53 | 22·58 | 32·06 | 59·18 | 1¾ . 2 |
| 1845. Apl. | 5·08 | 24·84 | 38·54 | 68·46 | 2½ . 2¾ |
| July | 5·05 | 24·91 | 37·48 | 67·43 | 2¾ . – |
| Oct. | 5·08 | 25·58 | 43·62 | 74·28 | 2¾ . 3 |
| Jan. | 4·79 | 25·31 | 43·00 | 73·10 | 3 . 4½ |
| 1846. Apl. | 5·14 | 25·82 | 46·82 | 77·78 | 4 . 5 |
| July | 5·03 | 25·77 | 42·02 | 72·83 | 5 . 4 |
| Oct. | 5·20 | 25·44 | 43·91 | 74·56 | 3¾ . 3 |
| Jan. | 4·63 | 24·09 | 40·06 | 68·78 | 3 . 4 |

| 1 | | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| Three Months ended 5th of | | I. Small Bills. | II. Medium Bills. | III. Large Bills. | Total. | Market Rate of Interest. |
| | | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | p. ct. p. ann. |
| 1847. | Apl. | 5·21 | 26·42 | 47·30 | 78·93 | 4 @ 6 |
| | July | 5·23 | 26·68 | 45·32 | 77·23 | 5 . 8 |
| | Oct. | 5·11 | 25·39 | 44·24 | 74·73 | 4½ . 10 |
| | Jan. | 4·80 | 23·48 | 34·40 | 62·69 | 10 . 4 |
| 1848. | Apl. | 5·14 | 23·37 | 31·90 | 60·41 | 4 . 3 |
| | July | 5·01 | 23·15 | 27·75 | 55·91 | 3¼ . – |
| | Oct. | 4·81 | 22·12 | 28·78 | 55 72 | 3 . – |
| | Jan. | 4·67 | 21·84 | 26·10 | 52·61 | 3 . 2½ |
| 1849. | Apl. | 5·07 | 22·83 | 28·20 | 56·11 | „ |
| | July | 5·08 | 22·86 | 27·37 | 55·31 | „ |
| | Oct. | 5·10 | 22·66 | 28·07 | 55·83 | 2½ . 2 |
| | Jan. | 4·74 | 21·97 | 28·23 | 54·93 | 2 . 1¾ |
| 1850. | Apl. | 4·95 | 22·92 | 30·13 | 58 00 | 2 . 2½ |
| | July | 5·01 | 23·41 | 31·28 | 59·70 | „ |
| | Oct. | 5·00 | 23·67 | 34·76 | 63·42 | „ |
| | Jan. | 4·63 | 22·91 | 32·86 | 60·41 | 2½ . 3½ |
| 1851. | Apl. | 4·91 | 24·38 | 36·21 | 65·51 | 2½ . 3 |
| | July | 4·94 | 24·10 | 36·78 | 65·82 | „ |
| | Oct. | 4·92 | 24·38 | 37·73 | 67·04 | 2½ . – |
| | Jan. | 4·73 | 23·56 | 32·28 | 60·57 | 2½ . 2 |
| 1852. | Apl. | 5·12 | 24·66 | 33·58 | 63·36 | 2 . – |
| | July | 4·93 | 23·66 | 34·15 | 62·74 | 1½ . 2 |
| | Oct. | 4·88 | 24·77 | 39·88 | 69·52 | „ |
| | Jan. | 4·64 | 23·33 | 39·58 | 67·55 | „ |
| 1853. | Apl. | 4·70 | 24·88 | 46·55 | 76·13 | 2 . 3½ |
| | July | 4·60 | 24·82 | 45·86 | 75·27 | 2 . 2½ |
| | Oct. | 4·58 | 26·82 | 56·75 | 88·14 | 3 . 4½ |
| | Jan. | 4·70 | 29·47 | 52·52 | 83·69 | 4½ . 5½ |

The following are the Sections from the Paper of 1850 in the Statistical Journal already referred to at page 585. *antè.*

(2.) *Descriptive Outline of the manner in which the Circulation of Bills of Exchange is regulated and promoted by the Banking System of London and the Provinces.*

"I will now endeavour to give some account of the delicate and widely-ramified system which regulates the distribution and modifies the influence of the Bill Currency.

"In the first place, however, it may be desirable to say a few words on the general principles of the question.

"If we consider, with care, the peculiar functions of (1.) a Bank Note, (2.) a Cheque, and (3.) a Bill of Exchange, we shall find that the fund against which the Bank Note and Cheque are issued is in such a form that the Bank Note and Cheque can be discharged in legal money at the moment of their presentation; and that the fund against which the Bill of Exchange is issued is not in such form, but in a form which will only admit of the liquidation of the bill of exchange after the lapse of a certain period of two, three, four, or six months, or perhaps longer. The foundation of the Bank Note and Cheque is a portion of floating capital in a perfectly Ready state, if I may be permitted to use that word; and the foundation of the Bill of Exchange is a portion of floating capital in an Unready state, more or less. Further, the portion of ready capital, which is the foundation of the Bank Note and Cheque, consists of actual lodgments of coin and of ordinary bankers' deposits — that is, of capital which we can only express in terms of money, and which, by a convenient but somewhat bewildering fiction, is supposed to be always in the form of actual money. On the other hand, the portion of floating capital, which is the foundation of Bills of Exchange, consists most commonly of commodities which are in course of transit to the consumer, and out of the proceeds of the sale of which commodities the liquidation of the bill of exchange is to be accomplished.

"If we carefully attend to these distinctions, I think we shall not hesitato to adopt some such classification of the constituent parts of the whole volume of negotiable instruments, at present in use in this country, as the following: —

1. Coin;
2. Bank Notes;
3. Cheques;
4. Bills of Exchange;
5. Ledger Accounts;

and to admit the substantial correctness of a doctrine which teaches, in effect, that (1.) Coin is the small change of Bank Notes; (2.) Bank Notes the small change of Cheques; (3.) Cheques the small change of Bills of Exchange; and (4.), Bills of Exchange the small change of transactions of sale and purchase, the record of which is contained in a Ledger, and the adjustment of which is accomplished mainly by the process of set-off; that, in point of

fact, cheques are bank notes drawn against deposits, and bills of exchange are cheques drawn against commodities.

If this reasoning be correct, it is plain that, when we speak of the discount of a bill of exchange, we mean that a portion of the floating capital of the country, in its ready form, has been advanced to, say A. B., upon the security of another portion of the floating capital of the country, in its unready form. And it is clear that in the progress of national wealth, the unready form of capital precedes that which I have ventured to call ready; that the ready is the surplus of profit accruing upon the unready; and the portion of increase arising out of fixed capital not consumed by the recipients of that increase.

"It is also clear that the extent to which advances can be made upon bills of exchange — in other words, the extent to which bills of exchange can be discounted at any given time — is governed by two principal causes; (1.) By the total amount of ready capital in existence; and (2.) by the extent of the demand for ready capital for other purposes; such as loans to governments and landholders the construction of railways, houses, and so on.

"If we examine the system of Banking, especially of Country Banking, as it has grown up in Great Britain during the last sixty or seventy years, we shall be able to divide the functions of Country Bankers into two very distinct classes. (1.) In the first place, we shall find that the country bankers are very intimately connected with the control and supply of the requirements of their local circle for ready capital; that is to say, that, in the majority of cases, the most important part of the business of a country bank arises out of the demands for advances and discounts of applicants in its immediate neighbourhood; and this may be called the Internal part of the country bank system. (2.) In the second place, we shall find that a scarcely less important part of a country banker's business consists in aiding the distribution of ready capital over the country, carrying such capital from the districts where it abounds, or rather where it is in excess of the local demand, to districts where the local demand for ready capital exceeds the local supply; and we may call this the External part of a country banker's functions.

"Now it has happened that what I have here ventured to call the Internal province of banking has received more attention from the public, and from writers on the currency, and, I believe, is generally much better understood, than the External province; and yet I am by no means sure that, as an auxiliary to the progress of public wealth and industry, the external is not a more important part of the general credit system of the country than the internal functions of a banker.

"A Country Bank, enjoying a high degree of credit, and skilfully administered, may be said, with great justice, to be the centre of the movements of ready capital within its local circle; and it may be also said, with equal justice, that what the country bank is to its immediate neighbourhood, the Bill-Brokers and City Bankers of

London are to the whole of the banking institutions of the United Kingdom; and there cannot be any doubt that the early establishment, in London, of a central focus from which the whole banking economy of the island was, in a great measure, preserved in harmonious action, by the skilful adjustment of opposite wants, through a common medium, has been one of the principal causes of the rapid development of our trade and resources during the present century.

"Now, for our present purpose, it is interesting to know that a very considerable — I may say the most considerable — part of the operations connected with the external functions of Country Bankers, is conducted through the medium of Bills of Exchange in a mode which I will endeavour to describe as briefly and plainly as possible.

"In certain parts of the country, chiefly the agricultural counties, the deposits — that is, the ready capital lodged with bankers by local constituents — very greatly exceeds the demand for advances and discounts of a legitimate character by the same local constituents. Then in these districts there is a surplus of ready capital over and above the local requirements; and of this surplus, if the country banker cannot find employment for it elsewhere, it is plain that he cannot profitably take charge — at all events, that he cannot pay any interest for its use.

"In certain other parts of the country — namely, those counties and towns conspicuous as the seats of manufactures, mining, and commerce — the local deposits of ready capital with the bankers are insufficient to satisfy the local demand for advances and discounts. Here, therefore, the inconvenience is of a character exactly the opposite of that which we have seen to prevail in the agricultural districts.

"Now by what means are the wants of these different parts of the country easily, completely, and profitably satisfied?

"By a very simple, but a very perfect arrangement.

"There are in London certain large dealers in money called Bill Brokers, who act as bankers of deposit for all the country bankers, and for most of the London regular bankers; who also receive in deposit the floating funds of insurance companies; and generally the funds of any person or persons having the command of considerable amounts of ready capital, or, to use the incorrect phraseology of the day, of large amounts of 'ready money.' These bill brokers are also in constant communication with the merchants whose bills they discount, and whose legitimate wants it is their business, in a great measure, to supply.

"Now let us observe the way in which the bill brokers conduct their business.

"B, a banker in Lincoln, for example, has a surplus of 50,000*l.* over and above the local demands of his circle. He is also in the constant habit of requiring bills of exchange of certain usances, and of certain amounts, to meet the applications of some of his customers, who employ bills of this description in the course of their trade. It is true that B. may have in his bill-case a great number of bills of

exchange fulfilling these conditions of date and size, and these bills may have been received by him from his local constituents, to whom he has advanced the amount in one form or another. They are, therefore, fully his property; and legally there is no reason why he should not immediately re-issue them, if he finds occasion to do so. But against this re-issue there are two conclusive banking reasons: (1.) It would, in the first place, indicate that he was poor, because he could not afford to wait until the bills became due; and (2.) in the next place, it would disgust his customers by revealing their transactions to rivals in the same branches of business. The bills locally discounted cannot, therefore, be locally re-issued. The expedient which removes the difficulty, then takes the following form. The 50,000*l.* of surplus is sent to a London bill broker, with a request that he will send to Lincoln bills of exchange of a certain character to the extent of that sum, plus the amount of discount, at the rate of the day, due by him upon the transaction; for it must be remembered that B. sends 50,000*l.* in cash, and receives in exchange 50,000*l.* in bills due some months hence. In fewer words, the Lincoln banker discounts 50,000*l.* of bills for the London broker, and the London broker takes care to send to Lincoln bills which have been created in a totally different part of the country — many of them foreign bills — all of them certainly of such a kind that no Lincoln tradesman will be anything the wiser when they come into his hands.

"Now it is obvious that this transaction between Lincoln and London accomplishes four things: — (1.) The Lincoln banker obtains employment, at the current rate of interest, for his surplus of 50,000*l.*; (2.) He obtains in exchange for his money a legitimate banking security in the form of good bills of exchange, of various amounts, falling due within short and limited periods; (3.) The London bill broker receives a supply of 50,000*l.* of what is equivalent to cash, with which he can discount a further amount of bills for the merchants; and finally, (4.) A bill currency is introduced into Lincoln perfectly adapted to its wants, and perfectly free from the inconvenience of disclosing local transactions to local competitors.

"If we pursue our narrative of the circumstances connected with this supposed operation, we shall become acquainted with most of the facts which concern us at present.

"There are three principal modes in which the payment of debts arising in the internal part of the country are accomplished. In the first place, a buyer in good credit may have no difficulty in placing his account upon the footing of a book debt, where he is debited with what he purchases from time to time, and credited with what he pays from time to time. In the second place, a buyer may pay his debts by remitting approved bills of exchange, due at the end of some stipulated period — most frequently two, three, or four months; and finally, a buyer may undertake to accept the bills drawn upon him by the seller.

"It is in carrying out the first and second of these modes of pay-

ment that the circulation of bills of exchange is chiefly promoted; and in carrying out the third of these modes that the creation of bills of exchange chiefly takes place.

"To return to the supposition of 50,000*l.* invested in bills of exchange by the Lincoln banker: —

"Whatever portion of these bills passed out of the hands of the banker into further circulation would do as payments and remittances for purposes of trade. A Lincoln tradesman or farmer has bought cattle or goods upon the terms of 'a good bill at three months,' and the farmer or tradesman purchases this bill of the banker, retaining the allowance of discount due upon it as an addition to his profit upon the purchase for which the bill is intended to pay. And even if the bill ceases to circulate after being employed in this transaction, it is important to bear in mind that it will have accomplished seven distinct transfers of value. First of all, it conditionally discharges the claim of the drawer upon the acceptor; (2.) it then discharges the claim of the payee upon the drawer; (3.) then of the bill broker upon the payee, supposing the payee to discount the bill; (4.) then of the Lincoln banker upon the bill broker; (5.) then of the farmer or tradesman upon the Lincoln banker; (6.) then of the dealer in goods or cattle upon his Lincoln customer; and (7.), if we suppose the bill to be finally sent for payment by the banker of the dealer to that banker's London correspondent, a seventh transfer would be effected.

"I believe that this statement may be received as an accurate outline of the transactions into which a very large portion of the bills of exchange created and accepted in this country habitually enter; more particularly of that vastly preponderating part of the bill currency which passes through the hands of the London brokers.

"The progress of time, and the interests of numerous classes of persons, have conspired to impart a high degree of ingenuity and delicacy to the whole economy of bill circulation. There is, for example, a very nice apportionment of different kinds of discount business to different houses. A very efficient system in this operation, by means of which the endorsement of bills from merchants to brokers, and from brokers to bankers, and *vice versâ*, is dispensed with, and the object of this system is to keep as secret as possible the uses to which the bill may have been applied, as a security for money lent or borrowed. It would be erroneous, therefore, to suppose that the extent to which a bill of exchange may have circulated is always accurately indicated by the number of endorsements upon it. There is a very complete system of correspondence between the merchants and bankers in the manufacturing and commercial towns, where bills of exchange are chiefly created, and the London money market. And, lastly, the plan of rediscounting in London a certain portion of the bills discounted locally, pursued by some of the provincial banks, is carried out with great skill and circumspection by all the parties concerned.

"The mercantile houses in London engaged as wholesale dealers in

Manchester and Birmingham goods, and in colonial produce, have always, in progress towards maturity, an immense number of what are called 'small bills;' that is, of bills from 20*l.* to 150*l.*, drawn upon country dealers and shopkeepers. The usance of these bills is very generally four months; and at certain periods of the year the quantity of these bills is very great. The bills, for example, that are drawn in March, in payment of the summer supply, fall due in July; those drawn in July, preparatory to the autumn, fall due in November; and those drawn in November, in anticipation of the Christmas settlements, fall due in February. With this explanation, it is easy to understand why the fourth days of July, November, and February, the days on which these masses of country bills fall due, are among the busiest that happen in the City of London. As a general rule, it is these small bills of from 20*l.* to 150*l.* each, which enter most actively into the bill circulation of the island by means of the bankers in the comparatively non-trading counties. We have already seen, for example, how it is convenient for a banker at Lincoln to invest, say 50,000*l.* of his surplus cash in bills of this description. And this skilful redistribution of the bill currency of the country is one of the greatest achievements of our banking system.

"We must not, however, conclude too hastily that this perfect machinery of credit has grown up within the last few years. A conclusion of that kind would be exceedingly erroneous. The treatise by Mr. Thornton, published in 1803, shows very clearly that even at that time the economy of banking was in a very perfect state; and if we examine the evidence given by Mr. Thomas Richardson, an eminent bill broker of that time, before the bullion committee of 1810, we shall find that even our latest refinements have done little more than preserve a system even then very nicely adjusted.

"Mr. Richardson was asked, 'What is the nature of the agency for country banks?' And he gave in reply the following answer: 'It is twofold; in the first place, to procure money for country bankers, on bills, when they have occasion to borrow on discount, which is not often the case; and, in the next place, to lend the money of the country bankers on bills on discount. The sums which I lend for country bankers on discount, are fifty times more than the sums borrowed for country bankers.' Now this is a description which applies with as much justice at present as it could do in 1810. In substance Mr. Richardson meant to say, that he received deposits of cash from country bankers and others, in exchange for which he sent them bills of exchange; and that sometimes he rediscounted for country bankers the bills discounted by them for their local customers, and which bills, from some cause or other, the banker desired to turn into cash."

N.

(3.) *Estimates, Statistical and General, of the Amount of the Funds employed in* 1850 *in the London Money Market, and at the command of the Provincial Bankers; and also of the Amount of Bills of Exchange constantly under Discount in* 1850 *in London and in the Provinces; Series of Tabular Estimates and Statements.*

"If I have succeeded in making myself intelligible in the exposition just concluded, it will be apparent that the fund constantly employed in the Discount of Bills of Exchange may, in the first place, be divided into two principal parts, namely:—

"I. The Fund collected in London, and administered chiefly by the Bank of England and the London Bill Brokers; and

"II. The fund remaining in the hands of the Country Bankers, and employed by them in meeting the demand for discounts within their local circles.

"It will further be apparent, in the second place, that by far the most considerable of these two funds is that which is collected in London; and that the sources from which the *London Discount Fund* is derived admit of some such classification as the following, viz.:—

"(1.) Part of the circulation and deposits of the Bank of England.

"(2.) The deposits of the Country Bankers with the London bill brokers.

"(3.) Part of the deposits held by the London bankers.

"(4.) The deposits of Assurance Companies and other parties, with the London bill brokers.

"Now, assuming the correctness of this mere outline of the facts,—and I believe that it may be assumed with great safety to be correct in the general form in which it is here employed,—I have been desirous to settle, as far as possible, one or two questions of considerable theoretical interest, and of some practical moment:—

"(1.) In the first place, it would be very satisfactory if we could ascertain what amount of Bills of Exchange are always under discount in Great Britain; that is to say, what amount of ready capital is constantly employed in advances to merchants and traders upon the security of bills of exchange, or, what is almost the same thing, upon the security of commodities.

"(2.) In the next place, it would be very satisfactory to know what portion of this total sum is advanced in Scotland; what portion in the provincial districts of England; and what portion in London. If we could ascertain this, we should be able to estimate numerically the influence which the money-market of London exerts over the whole country; and also to estimate numerically the influence which the Bank of England exerts over the money-market of London.

"(3.) In the third place, it would be extremely useful if we could arrive at some reasonably safe estimate of the amount of ready capital wielded by the Country and the London bankers.

"(4.) And, finally, it would also be extremely useful if we could be enabled to form a somewhat exact opinion of the amount of the

Floating Balances held in London by Assurance Companies and other wealthy Corporations and persons.

"I cannot hope, and I do not pretend, to answer any of these questions dogmatically; but I have taken some pains to arrive at an approximate estimate with reference to each; and, at all events, I will undertake to describe the whole data upon which I found my reasoning, and the whole process by which I arrive at my conclusions.

"The results of the present inquiry have clearly put me in possession, with a tolerable degree of accuracy, of one of the first and most important elements in the investigation, namely,—The amount of bills of exchange in existence at one time in the whole of Scotland, the whole of England, and the whole of Lancashire. As we know that some bills are *not* discounted, the amount, therefore, of bills in existence, is of course greater than the amount of the funds employed in the business of discounting. Now, what is the ordinary amount of bills in existence at one time, as shown by the calculations of the present paper? The following statement will answer this question:—

"*Total Average Amount of Bills in Circulation at One Time during the Years* 1843–46, *as shown by the Calculations of the present* (1850) *Paper.*

| | £ |
|---|---|
| In Scotland (Inland Bills) - - - | 18,000,000 |
| In Lancashire ,, - - - | 12,000,000 |
| In rest of England ,, - - - | 70,000,000 |
| | 100,000,000 |
| Foreign Bills - - - - - | 16,000,000 |
| | £116,000,000 |

"The next question that occurs is,—What portion of this gross sum of 116,000,000*l.* of bills of exchange is *not* discounted? I am sorry to say that the only answer that can be given to this inquiry must proceed altogether upon estimate. My own estimate is as follows. I arrange the figures, first, in the more convenient form of an

"*Estimate of the Amount of Bills of Exchange under Discount at One Time in Great Britain* (1850).

| | £ |
|---|---|
| In Scotland (Inland Bills) - - - | 15,000,000 |
| In Lancashire ,, - - - | 12,000,000 |
| In rest of England ,, - - - | 60,000,000 |
| | 87,000,000 |
| Foreign Bills - - - - - | 13,000,000 |
| *Total under Discount at One Time* - | 100,000,000 |
| Leaving as the amount of Bills and Notes *not* discounted by the holders of them | 16,000,000 |
| TOTAL BILLS IN CIRCULATION | £116,000,000 |

"Now, upon the suppositions expressed in these figures, the amount of bills and promissory notes *not* discounted will be as follows:—

| | £ |
|---|---|
| In Scotland (Inland Bills) - - - | 3,000,000 |
| In Lancashire „ - - - | – |
| In rest of England „ - - - | 10,000,000 |
| | 13,000,000 |
| Foreign Bills - - - - - | 13,000,000 |
| TOTAL BILLS NOT DISCOUNTED - | £16,000,000 |

"I have assumed that the whole of the 12,000,000*l.* shown to be created in *Lancashire are Discounted,* because it is quite certain that the Stamp-office returns do not enable us to ascertain the real amount of bills created in that county by a mere reference to the sale of stamps within it.

"At first sight, 16,000,000*l.* may seem to be a large amount for the quantity of bills and promissory notes which are *not* discounted; but reasons can be given which at least weaken the force of the first impression.

"It must be remembered that a considerable portion of the bills and promissory notes created are intended to serve legal, rather than commercial, purposes. Of this nature are most of the joint and several promissory notes given to bankers and private persons for temporary loans of money: and obligations of this nature are exceedingly common in the agricultural districts. Further, with many firms of ample capital and long standing, it is a sort of point of honour never to part with a bill after it comes into their possession until the time of its maturity. On the whole, I am inclined to believe, that if the estimate of 16,000,000*l.* errs at all, the fault is more likely to be one of *under* statement than the contrary.

"We have arrived, therefore, at the conclusion, that it is very probable that the amount of bills of exchange (inland and foreign) constantly under discount at one time in Great Britain, is 100,000,000*l.* Now, what are the sources from which this large sum is obtained; and what portion of it is contributed by the Provincial, and what by the London, dealers in money?

"We will first inquire into the Provincial part of the question.

"In England and Wales, exclusive of London, but including the circle of sixty-five miles round London, within which country bank-notes are forbidden, there are at present about 900 Bank Offices; not separate banking firms, but 900 places where the business of banking, either by means of a central office, or a branch office, is daily carried on. After considerable inquiry, I believe that, one with another, the amount of capital, of all kinds, employed by these 900 bank offices is certainly as much as 100,000*l.* each. When I

say capital of all kinds, I mean the private capital of the partners and shareholders of the banks invested in their business; the capital placed in the banks by depositors, and by those who keep banking accounts; and the capital acquired by means of the circulation of country bank-notes. For the month ended 29th December, 1849, the amount of country notes in circulation in England and Wales was 6,140,913*l.*; divided among the 900 offices, an amount of capital equal to 6830*l.* would fall to the share of each office, as obtained from the circulation alone. The private capital employed in the business of banking in the country is very considerable; and the deposits are also in a great number of cases of surprising extent.

"In Scotland there are about 360 bank offices; and I estimate the amount of capital of all kinds employed by them at 100,000*l.* each, the same as on the south side of the border. I confess, however, that as regards Scotland I am not able to speak with the same confidence as with reference to the southern division of the island.

"During the four weeks ended 29th December, 1849, the amount of Scotch bank-notes in circulation in Scotland was 3,242,448*l.*; or equal to an average sum of 9,000*l.* to each of the 360 bank offices.

"In Ireland there are about 170 bank offices; and the Irish circulation of 4,634,503*l.* gives an average sum of 26,900*l.* to each. And it is probable that private capital and deposits raise the average to 100,000*l.*

"The following, therefore (in 1850), will be the recapitulations:—

| | | | £ |
|---|---|---|---|
| 900 | Bank Offices in England and Wales at about 100,000*l.* each, or say - - - - | | 97,000,000 |
| 360 | „ Scotland | „ | 36,000,000 |
| 1,260 | | | 133,000,000 |
| 170 | „ Ireland | „ | 17,000,000 |
| 1,430 | | | £150,000,000 |

"This sum of 133,000,000*l.* constitutes the gross amount of capital employed in the business of banking in the provincial districts of Great Britain; and, of course, out of this sum of 133,000,000*l.* the bankers have to provide the funds employed: (1.) in advances to their customers; (2.) in the purchase of government and other securities; (3.) in the maintenance of a sufficient reserve of coin and Bank of England notes; (4.) in the retention at their credit in London of an adequate balance; (5.) in investments in bills of exchange procured in London upon the plan pointed out in the preceding chapter in the supposed case of the 50,000*l.* from Lincoln; and (6.), finally, in the discount of the local bills of their own local connection.

"Still, speaking of *Great Britain*, exclusive of London, the following statement will recapitulate these particulars, thus: —

"*Estimate* (*in* 1850) *of the Proportion of the Gross Banking Capital of Great Britain* (*exclusive of London*) *employed in the Principal Divisions of the Business of Banking, namely*: —

| | £ |
|---|---|
| In Advances to Customers; Balances in London; Government Securities; Coin and Bank Notes - | 81,000,000 |
| In Investments in Bills of Exchange obtained from London - - - - - - - - - | 30,000,000 |
| | 111,000,000 |
| In the Discount of Local Bills — | |
| England and Wales - - £12,000,000 | |
| Scotland - - - - 10,000,000 | |
| | 22,000,000 |
| | £133,000,000 |

"The estimate of 10,000,000*l.* for bills locally discounted in Scotland is made with reference to the peculiarity in Scotch bills of making them payable *not* in London; a circumstance which confines them very much to their own circle.

"According to this estimate the amount of capital contributed by the provincial bankers to the London money-market is 30,000,000*l.*, namely, the extent of the investments in bills of exchange obtained from London. And to this sum must be *added* the amount of the *floating balances* retained by the country bankers with their London correspondents and brokers.

"Let us now turn our attention to the London branch of the question.

"Including joint-stock banks, and omitting mere dealers in bullion and money-changers, there are at present in London 35 City bankers, and 16 West End bankers. The published accounts of the joint-stock banks enable us to state with great accuracy the amount of capital employed by them in their business. And taking the accounts rendered to the 31st December, 1849, by the four principal joint-stock banks, the following is the result: —

"London Joint-Stock Banks.—*Statement of the Assets of the Four Joint-Stock Banks in the Metropolis, whose Operations are confined to London. Compiled from the Accounts of 31st December*, 1849.

| Capital paid up. | Banks. | Government Securities, India Bonds, Exchequer Bills. | Discounted Bills, Advances, Bonds, &c. | Total Assets. |
|---|---|---|---|---|
| £ | | £ | £ | £ |
| 1,000,000 | Lond. and West. Bank | 973,691 | 3,844,777 | 4,818,468 |
| 422,900 | Union Bank - - - | not stated | 3,337,135 | 3,337,135 |
| 600,000 | Lond. Joint-Stock Bank- - - - | 671,976 | 2,921,480 | 3,593,456 |
| 128,280 | Commercial Bank - - | not stated | 699,580 | 699,580 |
| 2,151,180 | Totals - - - | 1,645,667 | 10,802,972 | 12,448,639 |
| 537,795 | Averages - - | 822,833 | 2,700,743 | 3,112,159 |

"The average total amount of assets, or of capital employed in these four instances, is as high as 3,112,159*l.* We cannot suppose, however, that a similar average would be afforded by an equally formal statement of the position, either of all the thirty-five City, or all the sixteen West-end bankers. It will be nearer the truth to assume an average of 1,250,000*l.* for each of the fifty-one establishments. And if to the result afforded by such a computation we add 10,000,000*l.* for the deposits of Insurance companies and others, in the hands of bill-brokers and large money-dealers, it is probable that we shall at least obtain an approximate estimate of the magnitude of the Metropolitan Banking Fund.

"The calculation will then stand thus (1850): — at present excluding the Bank of England: —

| | £ |
|---|---|
| 35 City Bankers (Private and Joint-Stock) 1¼ millions each, say - - - - - - | 44,000,000 |
| 16 West End do. - - - - - - | 20,000,000 |
| | 64,000,000 |
| Insurance Office, &c. Deposits - - - - | 10,000,000 |
| London Fund - - - - | *74,000,000 |

* A Table will be found in a subsequent page (608.), showing that in 1856 the average available means of the elder Joint Stock Banks

"To this sum must be added, say, 12,000,000*l.* for the amount employed by the Bank of England — speaking generally — in commercial loans and discounts. And there must also be added the sum of 30,000,000*l.*, which we have already seen that the Country bankers contribute to the London money-market, in exchange for the usual kind of bills; but this 30,000,000*l.* must *not* be increased for our present purposes by the *floating balances* of the Country bankers, because we have just reckoned those balances in the average sum of $1\frac{1}{4}$ millions assigned to each of the fifty-one London bankers.

"We have, therefore, a further summary of results, thus: —

| | £ |
|---|---|
| London Fund, as before shown - - - - | 74,000,000 |
| Bank of England - - - - - - | 12,000,000 |
| TOTAL LONDON FUND - - - | 86,000,000 |
| Contributed by Country Bankers to London Fund - | 30,000,000 |
| | £116,000,000 |

"We have already estimated that —

| | | | |
|---|---|---|---|
| (1.) | The total amount of Bills under discount at one time in *Great Britain*, including London, is - - - - - - - | | £100,000,000 |
| (2.) | The amount of Bills under discount locally in Scotland is, say - - - - | £10,000,000 | |
| (3.) | „ England - - | 12,000,000 | |
| | | | 22,000,000 |
| | Leaving - - - | | £78,000,000 |

as the amount of Bills discounted from the *resources*, or by the *intervention*, of London. Of this 78,000,000*l.*, we have seen that 30,000,000*l.* are carried off by the Country bankers, leaving us the amount discounted in London, purely by the aid of *London* resources, a sum of 48,000,000*l.* Of this 48,000,000*l.*, a sum of 5,000,000*l.* is generally taken by the Bank of England. The following, therefore, will be the conclusion: —

---

in London had then attained the high figure of $7\frac{1}{2}$ Millions sterling each — or more than twice the available means of 1849. I am inclined to think, therefore, that the amount of the London Fund, which in 1850 I estimated, as in the text, at 74 Millions, should in 1856 be raised to 120 *Millions*, — that is, should be increased to the extent of 50 per cent.

"*Bills (Inland and Foreign) under Discount at one time (in 1850) in Great Britain, including London.*

| | | |
|---|---|---|
| I. *Discounted locally* — | | |
| In Scotland - - - - | £10,000,000 | |
| In England - - - | 12,000,000 | |
| | | 22,000,000 |
| II. *Discounted in London* — | | |
| With Country Funds - - | £30,000,000 | |
| By Bank of England - - | 5,000,000 | |
| With London Funds - - | 43,000,000 | |
| | | 78,000,000 |
| Total under Discount at one time - - | | £100,000,000 |

"We saw above, that the amount of capital at the command of the London bankers may be estimated at 64,000,000*l.*, and that the deposits of Insurance companies. &c., might be taken at 10,000,000*l.* To this 10,000,000*l.* we must add 33,000,000*l.*, to make the amount of 43,000,000*l.* employed in discounts. The greatest portion of this 33,000,000*l.* is no doubt furnished by the London bankers, either in direct discounts to their own constituents, or in indirect modes. But if even 30,000,000*l.* was contributed by the bankers, there would still remain 34,000,000*l.* (64—30) to be employed by them in purchases of Government stock, in advances and loans upon various kinds of security, and in the maintenance of an adequate cash reserve.

"We may now reduce to a general outline the results at which we have arrived by the aid of these computations.

"At a former page we reckoned only the 12,000,000*l.* generally employed by the Bank of England in *commercial* advances and discounts. In forming, however, an estimate of the whole of the funds engaged in the London money-market, and employed in the various modes of investment, and the various kinds of banking business common in the metropolis, it is obviously incumbent upon us to extend our view from that portion (12,000,000*l.*) of the resources of the Bank of England employed in exclusively commercial operations to the whole of the fund at the command of that body, whether furnished by the circulation or by the public and private deposits of the Bank of England. According to this view of the case, we must compute the share of the London fund belonging to the Bank of England, not at 12,000,000*l.*, but at 36,000,000*l.*

"We may say, therefore, that, as far as we see at present, the whole of the fund constantly employed in the money-market of London is composed as follows: —

| | £ |
|---|---|
| London Bankers - - - - - | 64,000,000 |
| Deposits of Assurance Companies and Others | 10,000,000 |
| Bank of England - - - - - | 36,000,000 |
| Country Funds - - - - - | 30,000,000 |
| | £140,000,000 |

"The principal kinds of employment which absorb the whole, or nearly the whole, of this very large sum, may be arranged thus:—

"1. Bullion in Bank of England. 2. Investments in Government securities. 3. Investments in Bonds and other securities. 4. Advances to merchants on various securities, and under various circumstances. 5. The discount of foreign and inland Bills of Exchange. 6. The maintenance by bankers and money-dealers of adequate Reserves of coin and bank-notes in their own hands.

"The extent to which the Bullion in the Bank of England absorbs the 140,000,000*l.* is, of course, readily ascertained at any given date. I have not ventured to offer any estimate of the extent of any of the remaining five modes of employing these funds, with the exception of the fifth, viz., the sums engaged in discounting bills, and these sums I have, as already seen, estimated at 48,000,000*l.* including, in that amount, 5,000,000*l.* from the Bank of England.

"The following figures will represent the *per-centage* proportions of the several constituent elements of the 140,000,000*l.*:—

| | p. ct. |
|---|---|
| London Bankers | 45·71 |
| Assurance Companies, &c. | 7·14 |
| Bank of England | 25·71 |
| Country Funds | 21·44 |
| | 100·00 |

"It will be observed, from these figures, that a very considerable portion of the total amount is furnished by the Bank of England and by the Country bankers. Thus, the funds administered by the Bank of England amount to more than *one-half* of the sums furnished by all the other contributors in London to the general fund of 100,000,000*l.*, and the amount furnished by the Country bankers approaches very nearly to that furnished by the Bank of England.

"Further, continuing our assumption that the amount of bills of exchange constantly under discount at one time is 100,000,000*l.*, the following figures will represent the *per-centage* proportions of that sum furnished from the various quarters. Thus:—

| *Bills under Discount in* 1850. | p. ct. | p. ct. |
|---|---|---|
| In Scotland | 10 | |
| In England (except London) | 12 | |
| | | 22 |
| *In London*— | | |
| With Country Funds | 30 | |
| By Bank of England | 5 | |
| With London Funds | 43 | |
| | | 78 |
| | | 100 |

"We observe, again, in these figures, the considerable extent of the influence of the Bank of England and of the Country bankers. It

appears, for instance, that, even in ordinary seasons, the discounts by the Bank of England are about *one-eighth* (5 to 43) of those absorbed by all other parties from London resources; and that of the total amount of discounts in London, more than three-fourths (30 to 78) are effected by funds obtained from the provinces."

(4.) *London Joint-Stock Banks in* 1856, — *Amount of Funds held by them.*

The progress that has taken place during the last five or six years in the amount of Deposits held by the London Joint-Stock Banks is exceedingly remarkable. One or two of these Banks may almost bear comparison with those of the Bank of England.

| Banks, and founded | 1840. | | 1845. | | 1853. | | 1856. | |
|---|---|---|---|---|---|---|---|---|
| | Capital paid up. | Deposits. | Capital paid up. | Deposits. | Capital paid up. | Deposits. | Capital paid up. | Deposits. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1. Lond. and West. (1834) | ·60 | 1·36 | ·80 | 3·59 | 1·00 | 6·26 | 1·00 | 11·17 |
| 2. Lond. Joint Stock (1836) | ·44 | 1·17 | ·60 | 2·46 | ·60 | 5·01 | ·60 | 9·04 |
| 3. Union Bank (1839) | ·21 | ·37 | ·42 | 2·01 | ·42 | 4·88 | ·60 | 7·87 |
| 4. Commercial Bank (1840) | — | — | ·10 | ·50 | ·20 | 1·24 | ·30 | 1·53 |
| 5. Royal British Bank (1849) | — | — | — | — | ·05 | ·83 | ·15 | ·84 |
| 6. Bank of London (1855) | — | — | — | — | — | — | ·30 | 1·36 |
| 7. City Bank (1855) | — | — | — | — | — | — | ·15 | ·78 |
| | 1·25 | 2·90 | 1·92 | 8·56 | 2·27 | 18·22 | 3·10 | 32·59 |
| 8. Lond. and County (1839) | ·07 | ·44 | ·20 | 1·49 | ·40 | 3·42 | ·40 | 4·21 |
| | 1·32 | 3·34 | 2·12 | 10·05 | 2·67 | 21·64 | 3·50 | 36·80 |

Note.—The four figures at unit end are omitted: thus 1,32 represents 1,320,000*l.*

The London and County Bank has a large number of Branches in different parts of the country, and is not, therefore, an exclusively London Bank. The Royal British Bank failed in September, 1856.

The average amount of Deposits, it appears, was in 1840, only 830,000*l.*; in 1845 it had risen to 2,000,000*l.*; in 1853 it had risen to 3,600,000*l.*; but in 1856, after a further lapse of only three years, the average Deposits of the eight Banks had risen to 4,600,000*l.*, and the average of the five secure Banks was 6,600,000*l.*

# APPENDIX XII.

## Composition and Proceedings of the Committees of Lords and Commons in 1848, on Commercial Distress.

The Commons' (Select Secret) Committee was appointed on 3rd December, 1847, "to Inquire into the causes of the recent "Commercial Distress, and how far it has been affected by the "Laws for regulating the Issue of Bank Notes, payable on "demand."

The Committee consisted of Twenty-Six members, nominated in the following order, viz.:—

| | |
|---|---|
| Chancellor of Exchequer. | Mr. Alderman Thompson. |
| Sir Robert Peel. | Mr. Hudson. |
| Mr. Cobden. | Mr. J. L. Ricardo. |
| Mr. Herries. | Mr. James Wilson. |
| Mr. Cayley. | Mr. F. T. Baring. |
| Mr. Labouchere. | Lord John Russell. |
| Mr. Disraeli. | Mr. Spooner. |
| Mr. Glyn. | Mr. Goulburn. |
| Mr. H. Drummond. | Mr. Cardwell. |
| Sir James Graham. | Mr. Hume. |
| Mr. Thomas Baring. | Mr. Thorneley. |
| Lord George Bentinck. | Sir William Clay. |
| Mr. Beckett. | Mr. Tennent. |

Mr. Tennent, who was one of the members for Glasgow, seems never to have voted or attended the Committee on the occasion of any of the divisions.

The Committee examined Twenty-Six Witnesses; and the Minutes contain 7978 Questions, recorded at twenty-seven sittings.

The First Report is dated 8th of June, 1848, and relates to the general questions referred to the Committee. The Second and Final Report is dated 8th of August, 1848, and contains merely a few paragraphs on the subject of the provincial note circulation.

The adoption of the First Report was very warmly contested at six meetings of the Committee on the 19th, 23rd, 26th and 28th May, and on the 2nd and 6th June (1848).

At the Meeting of the 26th of May, as already stated in the text, the division on Mr. Hume's motion, declaring that the Act of 1844 *had* aggravated the distress, was Eleven For, and Thirteen Against, viz.:—

| Ayes, 11. | Noes, 13. |
|---|---|
| Mr. T. Baring. | Chancellor of Exchequer. |
| Lord George Bentinck. | Sir James Graham. |
| Mr. Spooner. | Sir Robert Peel. |
| Mr. Herries. | Lord John Russell. |
| Mr. Cayley. | Mr. Cobden. |
| Mr. Alderman Thompson. | Mr. Beckett. |
| Mr. Hudson. | Mr. Goulburn. |
| Mr. Hume. | Mr. Cardwell. |
| Mr. Disraeli. | Mr. Labouchere. |
| Mr. Glyn. | Mr. J. L. Ricardo. |
| Mr. James Wilson. | Mr. Thorneley. |
| | Sir William Clay. |
| | Mr. H. Drummond. |

The twenty-six names are made up by Sir Francis Baring, in the Chair, and Mr. Tennent, absent.

At the Meeting of the 30th of May, the Chancellor of the Exchequer introduced his Draft Report. It was met by strings of elaborate resolutions from Mr. Cayley and Mr. Spooner, drawn up in the sense of their peculiar doctrines.

As stated in the text, the division on Mr. Herries's motion, affirming that the Draft Report was *not* in accordance with the evidence, was Ten For, and Twelve Against, viz.:—

| Ayes, 12. | Noes, 10. |
|---|---|
| Chancellor of Exchequer. | Mr. Thomas Baring. |
| Sir James Graham. | Lord George Bentinck. |
| Sir Robert Peel. | Mr. Spooner. |
| Lord John Russell. | Mr. Herries. |
| Mr. Cobden. | Mr. Cayley. |
| Mr. Beckett. | Mr. Alderman Thompson. |
| Mr. Goulburn. | Mr. Hudson. |
| Mr. Labouchere. | Mr. Hume. |
| Mr. Thorneley. | Mr. Disraeli. |
| Mr. James Wilson. | Mr. Glyn. |
| Sir William Clay. | |
| Mr. H. Drummond. | |

Absent, Mr. Tennent, Mr. J. L. Ricardo, Mr. Cardwell. Sir F. Baring in the Chair.

There were four other divisions at the same Sitting, on questions of less importance than that raised by Mr. Herries.

At the Sitting of the 2nd June there were seven divisions, the majority for the Government being no more than two or three on the vital points.

At the Sitting of the 6th June there were no less than nine divisions; and on the division on the 18th paragraph of the

Draft Report, reporting that, in the opinion of the Committee, it was *not* expedient to make any alteration in the Act of 1844, the numbers were: —

| Ayes, 12. | Noes, 10. |
|---|---|
| Chancellor of Exchequer. | Lord George Bentinck. |
| Sir James Graham. | Mr. Spooner. |
| Sir Robert Peel. | Mr. Beckett. |
| Lord John Russell. | Mr. Cayley. |
| Mr. Cobden. | Mr. Alderman Thompson. |
| Mr. Goulburn. | Mr. Hudson. |
| Mr. Cardwell. | Mr. Hume. |
| Mr. Labouchere. | Mr. Disraeli. |
| Mr. J. L. Ricardo. | Mr. Glyn. |
| Mr. Thorneley. | Mr. James Wilson. |
| Sir William Clay. | |
| Mr. H. Drummond. | |

Absent, Mr. Thomas Baring, Mr. Herries, Mr. Tennent,— making, with Sir Francis Baring, the Chairman, the complement of twenty-six.

It was at this division that the accidental, and I believe wholly unavoidable, absence of Mr. Baring and Mr. Herries enabled the Government Party to obtain a majority of Two. If Mr. Baring and Mr. Herries had been present, and assuming that the remainder of the votes, including Mr. Wilson's, would have been given as appears on the list, the numbers, as stated openly by Mr. Hume in the debate of the 22*nd* of August, 1848, would have been equal, and it would have devolved on Sir Francis Baring, as Chairman, to give the casting vote. On which side that vote would have been given must remain matter of conjecture; but after the strong statements by Sir Francis Baring of his disappointment at the working of the Act of 1844, a hostile vote on his part, as concerns that measure, would seem to be the most consistent and probable.

It is not the custom for Reports made by Committees of the House of Lords to give any detail of the proceedings within the Committee, nor indeed to prefix the names of the Peers composing the Committee. I am unable, therefore, to do more than give the following few facts relating to the Lords' Report, premising that the names of the Peers have been obtained from the Journals of the House.

The Secret Committee of the Lords was appointed on the 7th of December, 1847, "to Inquire into the Causes of the "Distress which has for some time prevailed among the "Commercial Classes, and how far it has been affected by the "Laws for regulating the Issue of Bank Notes payable on "demand."

The Committee was composed of the following Twenty-Two Peers, viz.: —

| | |
|---|---|
| The Lord President of the Council (Marquis of Lansdowne). | Earl of Eglinton. |
| | Marquis of Clanricarde. |

Lord Wharncliffe.
Lord Brougham.
Lord Kinnaird.
Lord Stanley (now Earl of Derby).
Lord Ashburton.
Lord Glenelg.
Lord Monteagle.
Lord Campbell.
Earl of Ripon.
Duke of Richmond.
Marquis of Salisbury.
Duke of Montrose.
Earl Grey.
Lord St. Germains.
Earl Granville.
Earl of Auckland.
Lord Ellenborough.
Lord Beaumont.
Lord Redesdale.

The Committee examined twenty-one witnesses; and the Minutes of Evidence contain 4279 Questions, recorded at twenty-two sittings.

The Committee made but one Report, viz., that delivered on the 28th of July, 1848; but the Report extends to fifty-one folio pages, and, in the compass of fourteen elaborate sections, discusses in great detail the whole of the subject.

# APPENDIX XIII.

STATEMENTS BY AUTHORITIES IN SUPPORT OF THE DOCTRINE THAT BANK NOTES DIFFER IN THEIR NATURE AND EFFECTS FROM MONEY.

*Passages from Mr. John Mill; Mr. McCulloch; M. Michel Chevalier; Dr. Twiss; and M. Joseph Garnier.*

THE following are the extracts from the writings of the eminent authorities mentioned above, and referred to in Part V. of these Volumes, as rendering the most distinct and emphatic support to the doctrine, that Bank Notes are essentially different in their nature and effects from Money, a doctrine the precise opposite of that adopted by the authors of the act of 1844.

I insert the extracts in the order of the several names as stated in the text, beginning with Mr. Mill.

## MR. JOHN STUART MILL.

I extract the following passages from the second volume of the great work which, under the title of Principles of Political Economy, has secured for Mr. Mill a lasting and distinguished place in the history of science. The first edition of Mr. Mill's work appeared very shortly after the publication of my last volume; and awaiting, as it was inevitable that I should, with no small interest, and with some anxiety, for the exposition given in that work of the subject of the Currency, it is allowable to express the gratification I experienced on finding that, with an exception or two hardly worth naming, there is a perfect agreement between Mr. Mill and myself on all the great outlines of the question; and especially that we are both led to condemn in the most unequivocal manner the Banking Law of 1844. The extract is as follows: —

"A third form in which credit is employed as a substitute for "currency, is that of promissory notes. A bill drawn upon any "one, and accepted by him, and a note of hand by him promising "to pay the same sum, are, as far as he is concerned, exactly "equivalent, except that the former commonly bears interest and "the latter does not. But it is chiefly in the latter form that it has "become in commercial countries, an express occupation, to issue "such substitutes for money. Dealers in money (as lenders by "profession are improperly called) desire, like other dealers, to "stretch their operations beyond what can be carried on by their "own means: they wish to lend, not their capital merely, but their "credit, and not only such portion of their credit as consists of "funds actually deposited with them, but their power of obtaining "credit from the public generally, so far as they think they can "safely employ it. This is done in a very convenient manner, by "lending their own promissory notes payable to bearer on demand: "the borrower being willing to accept these as so much money, "because the credit of the lender makes other people willingly "receive them on the same footing, in purchases or other payments. "These notes, therefore, perform all the functions of currency, and "render an equivalent amount of money which was previously in "circulation, unnecessary. As, however, being payable on demand, "they may be at any time returned on the issuer, and money "demanded for them, he must, on pain of bankruptcy, keep by him "as much money as will enable him to meet any claims of that sort "which can be expected to occur within the time necessary for "providing himself with more: and prudence also requires that he "should not attempt to issue notes beyond the amount which "experience shows can remain in circulation without being pre-"sented for payment." — *Principles of Political Economy.* Book III. chap. XI.

"Some high authorities have claimed for Bank Notes, as com-"pared with other modes of credit, a greater distinction in respect "to influence on price than we have seen reason to allow; a dif-"ference, not in degree, but in kind. They ground this distinction "on the fact, that Bank Notes have the property, in common with "metallic money, of finally closing the transactions in which they "are employed; while no other mode of paying one debt by "transferring another has that privilege, but, on the contrary, all "bills and cheques, as well as all book debts, are from the first "intended to be, and actually are, ultimately liquidated either "in coin or in notes. The Bank Notes in circulation, jointly with "the coin, are, therefore, according to these authorities, the basis on "which all the other expedients of credit rest; and in proportion "to the basis will be the superstructure; insomuch that the quan-"tity of Bank Notes determines that of all other forms of credit. "If Bank Notes are multiplied, there will, they seem to think, be "more bills, more payments by cheque, and, I presume, more book "credits; and, by regulating and limiting the issue of Bank Notes,

" they think that all other forms of credit are, by an indirect con-
" sequence, brought under a similar limitation. I believe I have
" stated the opinion of these authorities correctly, though I have
" nowhere seen the grounds of it set forth with such distinctness as
" to make me feel quite certain that I understand them. I can see
" no reason for the doctrine, that according as there are more or
" fewer Bank Notes, there will be more or less of other descriptions
" of credit. If, indeed, we begin by assuming, as I suspect is tacitly
" done, that prices are regulated by coin and Bank Notes, the
" proposition maintained will certainly follow; for, according as
" prices are higher or lower, the same purchases will give rise to
" bills, cheques, and book-credits of a larger or smaller amount.
" But the premise in this reasoning is the very proposition to be
" proved. Setting this assumption aside, I know not how the
" conclusion can be substantiated. The credit given to any one by
" those with whom he deals, does not depend on the quantity of
" Bank Notes or coin in circulation at the time, but on their opinion
" of his solvency: if any consideration of a more general character
" enters into their calculation, it is only in a time of pressure on the
" loan market, when they are not certain of being themselves able
" to obtain the credit on which they have been accustomed to rely;
" and even then, what they look to is the general state of the loan
" market, and not (preconceived theory apart) the amount of Bank
" Notes. So far as to the willingness to give credit," &c. &c.—
*Ibid.*

## Mr. McCulloch.

The following passage occurs in the very able and elaborate article entitled Money, appended by Mr. McCulloch to his elaborate and elegant edition of the Wealth of Nations.

" Neither the existence nor the want of confidence in the solvency
" of the issuers exercises the smallest influence over the value of
" paper money properly so called. Notes, *not* legal tender and
" payable on demand, or at some stipulated period, *are not paper*
" *money*, though they serve the same purposes during the time they
" continue to circulate. The value of such notes is wholly derived
" from the confidence placed in the ability of the issuers to release
" them when presented for payment or when they become due.
" Whenever therefore this confidence ceases, their consolation neces-
" sarily ceases also. But no such circumstances affect paper money,
" meaning by paper money paper made legal tender, and not legally
" convertible into gold or anything else at the pleasure of the
" holders, or at any given period. No part whatever of the value
" of paper money is derived from confidence. It circulates because
" it is made legal tender, and because the use of a circulating
" medium is indispensable." — *McCulloch's Edition of Smith's Wealth of Nations.* Note IX. (Money) section III.

## M. Michel Chevalier.

The following passage occurs in the elaborate work by M. Chevalier, embracing the substance of a course of Lectures on Political Economy, delivered in his capacity of Professor at the College of France; and in mentioning the name of M. Michel Chevalier, I gladly avail myself of the opportunity of bearing testimony to the distinguished services rendered to society during recent years by M. Michel Chevalier, and the circle of political economists in France, of which, in some degree, he is the centre. The events of 1848, and the few following years, produced schemes and theories of social innovation and danger, to which, in a country like France, it was necessary to find not merely plausible but substantial answers; and it will not fail to be recorded that writers of the eminence and authority of M. Chevalier were found equal to the occasion. M. Leon Faucher has been removed by a premature death from the field of labour in which he wrought so diligently, with so high a purpose, and so great an effect; but the pure allegiance to truth which distinguished M. Leon Faucher survives in his coadjutors and colleagues in the Chamber, and the Institute, and in none more eminently than in M. Michel Chevalier.

I venture to express a hope that the remainder of M. Chevalier's Lectures before the College of France may be speedily published.

"A statesman who has contributed more than any person to "restore, after the peace of 1815, the monetary system of Great "Britain, Sir Robert Peel, has himself given the imposing support "of his authority to a definition of money, which would include in "it the Bank Note. This definition has originated in a school of "public writers (publicistes), who entertain on the subject of banks "peculiar opinions, which we will make known in the following "volume of this course. The consequences which this school draws "from its definition would extend very far.

"If Bank Notes are held to be as money in the strict sense of "the word, money is a sign or symbol. The distance between the "sign and the object represented here is small, for it is but to go to "the Bank to obtain gold in exchange for the notes. It is not, "however, sufficient that this difference should be abstracted and "the assimilation consecrated. Between a Bank Note payable on "demand, and coin or specie, there is a very close connection, but "there is not identity; and if identity were admitted as a principle, "it could only be as the consequence of a fatal confusion.

"Those persons who insist that Bank Notes should be held to be

" money have never been able to trace a line of demarcation, which " should be clear and distinct, between a Bank Note and a Bill of " Exchange. If it be said that the Bank Note passes from hand to " hand without endorsement, it may be answered that this is the " case with Bills of Exchange blank-endorsed. If the circumstance " be relied upon that it circulates without examination, except in " the case of the public being warned of a forgery, the answer is " that such is not always the course of actual business; for assuredly " precautions are taken as regards notes for the large sums which, " in countries where there are many banks, as in England and " America, pass current among merchants, and serve for certain " special transactions. It is at the utmost as regards the smaller " notes, that the unfortunate habit has been contracted of such " excessive confidence. If it be contended, as sometimes it has " been, that the Bill of Exchange is attended with the inconvenience " of not commanding its amount in coin except in a specified place, " the reply would be that it is absolutely the same with a Bank " Note. As to the characteristic which has been sometimes in- " dicated, that the Bank Note is in a round sum, it is not worthy " of notice. One of the writers who has taken the most prominent " part in maintaining the opinion which I am here combating, in " order to draw consequences from it applicable to the mechanism " of Banks in Great Britain, is Col. Torrens, who seems to have " thought that he had discovered a characteristic difference between " the Bank Note and the Bill of Exchange, in saying that a pay- " ment was made once for all from the moment that the seller had " received Bank Notes from the buyer, but that if the buyer made " the payment by a Bill of Exchange, emanating from himself or " a third party, he would, nevertheless, not be absolved from the " debt until the Bill of Exchange, having become due, should have " been paid; in other words, the Bank Note would possess for the " discharge of a debt a special power which would be wanting to " the Bill of Exchange. The distinction which Col. Torrens thus " draws is not admissible.

" It might at once be objected, that if the Bill of Exchange has " been remitted in blank, that is, without the endorsement of the " buyer, the seller must hold himself to be paid, although the Bill " should not be discharged when due.

" But we will set aside this observation, however strongly it " serves to prove the assimilation of the Bank Note to the blank " endorsed Bill of Exchange.

" The argument of Col. Torrens is not more to the point " (*topique*), than if he had maintained that with a Bill of Exchange " at one month's date, a transaction being sooner closed than with " one at three months' date, the Bill of Exchange at one month " should not be considered as an obligation or title (*titre*) of the " same nature as one at three months. A Bank Note may perfectly " well be considered as a Bill of Exchange or any commercial " obligation whatever, which becomes due on the day or the hour

" on which it is delivered; for I can at the moment of its being " delivered to me, receive the amount at the bank from which it " emanates; and this is precisely the reason why, as long as the " bank has not suspended its payments in cash, the creditor who has " received Bank Notes in payment will be and ought to be held as " being paid; the same as one who has received Bills of Exchange, " and who, having kept them to the moment of their *échéance*, shall " have received the value of them in coin. But if, after having " been paid in Bank Notes, I do not think proper to go to the bank " to claim payment in cash, and that some days afterwards the bank " stops payment, the tribunals will not allow me to have recourse " against the debtor who has remitted to me these Bank Notes, " because they would equally decide against any other creditors who " had omitted to present them till after they had become due, and " that the issuer should have failed subsequently to that time.

" In like manner, if I have received payment in Bank Notes " to-day, and it should be proved that the bank had suspended its " payments in specie, the tribunals would grant me recourse against " my debtor, just as they would decide that the debt to me was not " discharged if he had given me Bills of Exchange which, when " due, had been dishonoured.

" The similarity therefore between the Bank Note and the Bill of " Exchange remains untouched (*intacte*). On the contrary, between " the Bank Note money there are profound differences, which, in " 1810, Huskisson placed in strong relief as follows: —

" ' It is of the essence of money to possess *intrinsic value.* " ' Paper currency has obviously no intrinsic value. A promissory " ' note, under whatever form or from whatever source it may come, " ' *represents* value. It does so inasmuch as it is an undertaking to " ' pay in money the sum for which it is issued. The money or " ' coin of a country is so much of its capital. Paper currency is " ' no part of the capital of a country. It is so much circulating " ' credit. Whoever buys gives, whoever sells receives such a " ' quantity of pure gold or silver as is equivalent to the article " ' bought or sold; or if he gives or receives paper instead of " ' money, he gives or receives that which is valuable only as it " ' stipulates the payment of a given quantity of gold or silver. " ' So long as this engagement is punctually fulfilled, paper will of " ' course pass current with the coin with which it is constantly " ' interchangeable. Both money, however, and paper promissory " ' of money are common measures and representatives of the value " ' of all commodities. But Money alone is the universal equiva- " ' lent, — Paper Currency is the representative of that money.'

" All that can in truth be said to distinguish the Bank Notes " from other promises to pay, reduces itself to these very vague " expressions, that it circulates much more easily among the non- " commercial public. And moreover, is this greater facility of " circulation of the very essence of the Bank Note? Certainly " not. The Bank Note is a promise which is generally more readily

" accepted, because the solvency of the establishment from which it " emanates is better known, and that the promise itself bears marks " (*signes*), which admit of its origin being more promptly and more " certainly recognised. But in the first place, it is not true that " Bank Notes pass altogether like coin. Let those who think so go " and make the experiment among the hills of Auvergne, or even at " the gates of Paris, or in the plains of La Beauce. Then, again, " as between Bank Note and Bank Note, they do not all enjoy the " same confidence. In short, if the firm of Rothschild issued its " acceptances in a form calculated to guarantee their authenticity in " Paris and in London, would not the public receive them in pre- " ference to the notes of certain banks? It is well known that in " England private bankers issue notes as the Bank of England does. " At a time not far removed, a custom had arisen in some counties " of England, in Lancashire especially, of taking and giving Bills " of Exchange in payment even for small sums, a few pounds " sterling; they were of all sizes, and the notes of the local banks " did not succeed in supplanting them.

" In conclusion, the Bank Note enters into the class of Paper " Credit, of circulating fiduciary obligations. It is accepted only in " virtue of a feeling of confidence, just as a mercantile obligation " (*un effet de commerce*), a draft on a banker, or a Bill of Exchange " on a merchant. It circulates by favour of the credit which the " public reposes in the bank. M. Storch is right in calling it a " *billet de confiance*, and that English writers class it among *pro-* " *missory notes*, or promises to pay.

" The Bank Note enters into the more general category of instru- " ments of credit. I say more general, because this includes not " only mercantile obligations like Bills of Exchange which pass " from hand to hand, but contracts or promises which play a great " part, and which remain outside of the circulation. Such are " deposits in account current, which are not represented in the hands " of the depositor or of anybody else, an obligation (*titre*), which " does not admit of being issued into circulation; such as the credit " opened in favour of an individual by a banker, or in the books of " a bank, the portion of the credit which he has not yet used, and " which nevertheless figures as an asset of this individual, does not " present itself in any form which can be circulated." — *Cours d'Economie Politique fait au Collége de France, par Michel Chevalier.* (La Monnaie.) Section I. chap. IV. Paris, 1850.

## Dr. Twiss.

The following passage occurs in the Lectures delivered by Dr. Twiss before the University of Oxford.

" Promissory notes find their way into general circulation from a " general confidence being felt in the issue of them. They thus " become substitutes for money in many commercial transactions;

" but their circulation depends on the engagement to exchange them " for money being scrupulously fulfilled on the part of the issuers: " as long as this is observed they pass currently as money, but they " never lose their strictly representative character.

" We must be careful, however, not to confound a Paper *Currency* " with Paper *Money:* the former is strictly so much credit, the " latter professes to be so much value: the former rests on general " confidence, the latter on the fiat or authority of the state."— *Money and Currency, a Lecture, by Travers Twiss, D.C.L., Professor of Political Economy at Oxford.* P. 22.

## M. Joseph Garnier.

I avail myself with great pleasure of the following extract from the well-known treatise by M. Joseph Garnier on the Elements of Political Economy. The authority of M. Garnier has been for some time of the highest order, not merely in his own country, but wherever Political Economy is cultivated in the pure spirit of science.

I desire also to express in the most marked manner my sense of the great services which have been rendered by M. Garnier to the best interests of his country and of his favourite science by the impartiality, the ability, and the courage with which he has for so many years conducted the *Journal des Economistes,* — a periodical which has no rival as a medium of discussions confined exclusively to questions which can be solved only by the aid of economic science, in the highest acceptation of that term. The following is the extract: —

" Nous savons maintenant que les monnaies sont une véritable " marchandise, et non un Signe; que les monnaies d'or et d'argent " ont une valeur intrinsique et échangeable tandis qu'un signe n'a " pas de valeur par lui-même (ou n'en a que fort peu, comme le " cuivre) et tire toute sa valeur de la chose qu'il représente. — *Les* " *Billets à Ordre, — les Billets de Banque, — les Mandats, — les* " *Lettres de Change, — sont des signes représentatifs de Monnaie.*

" Quant au papier auquel on a réservé le nom générique de " *Papier Monnaie* son cours est *forcé,* et les gouvernements or- " donnent sous des peines plus ou moins graves qu'on le reçoive en " paiement des ventes et des créances stipulées en monnaies. * * " Il est donc facile de comprendre comment l'on s'est habitué à " considérer le Papier Monnaie *comme le dernier terme d'altération* " *des monnaies.*" — *Eléments de l'Economie Politique, par Joseph Garnier, Professeur à l'Ecole Royale des Ponts et Chaussées.* Paris, Second Edition, 1848, pp. 146—149.

# APPENDIX XIV.

EVIDENCE GIVEN IN 1848 BY THE GOVERNOR AND DEPUTY-GOVERNOR OF THE BANK BEFORE THE COMMONS' COMMITTEE. — CROSS-EXAMINATION BY MR. JAMES WILSON.

I HAVE referred, in Part V., to the evidence given by the Governor of the Bank of England (Mr. Morris), and the Deputy-Governor (Mr. Prescott), before the Commons' Committee of 1848, and given more particularly in reply to a series of admirably framed cross-questions addressed to them by Mr. James Wilson; and in this Appendix I introduce the more important parts of that cross-examination.

I have interposed comments of my own in several parts; and it will of course be understood, that where italics occur, they are inserted by myself. The examination took place on the 21st March, 1848, and I preserve the reference numbers of the Questions.

3630. (*The Governor and Deputy-Governor of the Bank examined.*) — MR. WILSON. — Of course you are of opinion that a certain amount of circulation is necessary for the country, and if one party withdraws his notes, it makes room for the notes of other parties? — The circulation being withdrawn in consequence of the export of bullion, and the notes in the Issue Department of the Bank being cancelled to that amount, if any other party has the power of filling up the portion which has been abstracted, that *action, contrary to the principles of the Act of* 1844, may have the effect of bringing us to the position that we were in in 1837 and 1839, *from not allowing the Circulation to contract in proportion to the export of Bullion.*

3631. — Is it your opinion that, under a Metallic Currency, the circulation would contract in proportion to the export of bullion? — *In the Issue Department, decidedly.*

[Here at the outset is a specimen of the confusion of ideas engendered by the new acceptation of the word Circulation.]

3632.—I am not speaking of the Issue Department, but of the Circulation generally: supposing we had a metallic currency altogether, would it vary in proportion to the export of bullion: the Chairman has asked you what you consider to be the circulation of the country? — Supposing we call currency, that which is out with the public, the total Circulation of the country *would not decrease in proportion to the export of Bullion*, because the Bankers, in consequence of *money being more valuable*, would have an inducement to hold *smaller reserves* than they held at times when the circulation was full, and money not so valuable; the effect would be exactly the same, whether it was a mixed currency or a metallic currency.

[With reference to this statement, it is to be carefully borne in mind, that in the early teaching of the currency school the reserves of bankers were wholly overlooked. The examination then proceeds as follows]:—

3633.—Prior to the Act of 1844 being passed, in the case of a drain for the payment of corn, or from any other cause which had deranged the exchanges, what reserve did that drain first act upon? —The reserve of the bankers.

3634.—The reserves of all the bankers?—Yes.

3635.—Is it your opinion that the bankers generally keep larger reserves than are necessary for the daily transactions of their business?—When money is cheap, undoubtedly.

3636.—They keep them in their own possession?—In their own possession, or in the Bank of England, which is the same thing; they have it locked up in the Bank for safety, instead of keeping it themselves.

3637.—Are not those reserves included in the apparent reserve of the Bank of England?—They form a portion of the reserve of the Bank of England.

3638.—Suppose we see in the Bank a Reserve to the extent of 15,000,000*l.* of Bullion, does not that include the reserves of the bankers?—The 15,000,000*l.* of bullion have nothing to do with the Banking Department; they have to do with the Issue Department.

3639.—I am speaking of the period before 1844; the reserves of the private bankers are in the hands of the Bank of England in the shape of deposits?—Yes.

3640.—Is the reserve of the private bankers very large generally? —Yes.

3641.—Then the reserve of the Bank of England in reality includes the reserves of the private bankers?—Yes, it includes a portion.

3642.—Then if an Export of Gold take place, does it not act

exclusively, in the first instance, upon the Reserve of the Bank of England; because if the reserves of a private banker are drawn upon, he must go to the Bank of England, and withdraw from the Bank of England a portion of his deposits; therefore the whole effect of an export, in the first instance, would appear as an operation upon the Bank of England? — It would appear as an operation upon the Bank of England, but it would also be acting upon the reserves of the bankers, inasmuch as it is a withdrawal of a portion of the reserves which they have in the Bank of England?—(*Mr. Prescott.*) It would be acting upon the reserves of all the bankers throughout the country, as well as of London bankers.

3643.—Upon the reserves of all bankers, whether they have an account with the Bank of England or not?—(*Mr. Morris.*) Upon the reserves of all bankers, whether they have accounts with the Bank of England or not; the reserves of all other bankers are affected to a certain extent.

3644.—Do you think the withdrawal of bullion for the purpose of export would, in the first instance, affect the quantity of Coin in circulation, provided we had a metallic circulation entirely? — It would affect the portion of coin *which was out with the public*, and also the portion of coin in reserve.

3645.—What induces you to think that it would affect the portion of Coin in the hands of the public; for I find, in answer to a former question, you stated that 7,000,000*l.* of gold had gone during the last summer out of the Bank reserve, and only 1,000,000*l.* out of the circulation of coin in the country?—I stated 7,500,000*l.* out of the Bank, and 1,500,000*l.* out of the coin of the country, making about 9,000,000*l.*

3646.—What reason have you for believing that 1,500,000*l.* was abstracted from the Circulation? — I gave it as an opinion; as regards the 7,500,000*l.* we know that as a fact, and I was aware that an amount of the circulation of coin had gone, and I assumed that 1,500,000*l.* might have gone out from the coin with the public.

3647. — *You had no particular reason for believing that the Circulation of Coin was diminished in the country at that period; it was merely an assumption? — It was an assumption.*

3648.—Was the circulation of Notes diminished during that period; take August, 1846, and April, 1847?—On 1st August, 1846, the circulation was 20,495,000*l.* of Notes with the public, and on the 3rd of April, 1847, it was 19,855,000*l.*

3649.—That is about 600,000*l.* less?—Yes.

3650.—During that period how much Gold had gone?—About 5,000,000*l.*

3651.—*While 5,000,000l. of gold had gone, the Notes in the hands of the public had only diminished about 600,000l.?—Yes.*

3652.—Have you any reason to think that the Coin in the hands of the public during that period had been diminished in a larger proportion?—I have no means of knowing.

3653.—You know the object for which Notes and Coin are used for the purposes of circulation; coin being used for the common purposes of life, and for smaller purchases in business, and notes being used for the reserves of the bankers and for other purposes where they can conveniently be spared; and have you any reason for believing that 1,500,000*l.* of coin was taken out during that period when so small a proportion of notes was taken?—My impression that that quantity of coin was taken out was founded upon the rate of the exchange. Captains and passengers going to the United States took the money they required principally in gold, because it made them a more favourable exchange than bills or credits. The gold may have been taken from private bankers and from other sources.

3654.—But if they had collected it from private bankers, or in any other way, would not that vacuum be immediately filled up by coin drawn from the reserve of the Bank of England?—The Bank issued gold coin between the 14th of August and the 31st of October, to an extent of 2,200,000*l.*

3655.—But you have expressed an opinion that that was for the purpose of Hoarding?—It might have been for an internal drain, or for the wants of Scotland and Ireland.

3656.—Both you and the Deputy-Governor have expressed an opinion that the amount of Circulation in the hands of the public depends upon the extent of trade and the price of commodities, and the various purposes for which circulation is required; supposing captains, or any other persons, for export purposes, had taken a portion of the coin that was in circulation out of circulation, would not it be withdrawn from private bankers, *and would not those private bankers come to the Bank of England for Coin to replace it?*—(*Mr. Prescott.*) *I have no doubt they would.*

3657.—Then a drain of gold would have an effect upon the gold actually in the hands of the Bank?—(*Mr. Morris.*) It depends upon the state of the Reserves; *the first operation of an export would be to act upon the Reserves*; if the banking interests of the country so regulated their transactions as not to allow their reserves to be diminished in consequence, but kept the same reserves, then the action would be upon the Bank Notes out with the public. Supposing the amount of reserve previous to the export of gold, and the amount of reserve after the gold went, remained the same, the action would have taken place upon the notes or the bullion with the public.

3658.—But is it possible to suppose, if there is a large demand for bullion for export, that the Reserve will remain the same?—No, it will diminish; money, being more valuable, there is a greater inducement to employ the reserve than there was previously.

3659.—The first effect would be, that there would be an unusual demand for discounts or advances upon securities?—There would be a greater demand upon the reserve of the Bank in consequence of the *increased value of money.*

3660.—Will you have the goodness to turn to the amount of Bullion which you held in August, 1846?—On the 1st of August, 1846, the amount of bullion was 15,803,000*l.*

3661.—Will you have the goodness to turn to the amount of Securities on the same day?—The total amount of banking securities on that day was 27,000,000*l.*

3662.—That includes the Government and private securities as well?—Yes, the whole.

3663.—What is the amount of Circulation?—The notes with the public were 20,495,000*l.*

3664.—Will you go now to April, 1847; will you state what amount of bullion you had on the 3rd of April?—10,246,000*l.*

3665.—Being a reduction of 5,000,000*l.*?—Yes.

3666.—Will you state the total amount of securities on that day?—30,620,000*l.*, and the amount in circulation in the hands of the public, 19,855,000*l.*

3667.—You find that during that period the Bullion had sunk 5,000,000*l.*, and during the same period *the Securities had risen* 3,000,000*l.*; *but the Circulation in the hands of the public was affected only by* 600,000*l.*: would not the operation be somewhat in this way, as soon as there was a demand for bullion for exportation, you would have a larger demand for discounts from merchants, or for advances upon securities, and those demands you appear to have met with an extra sum of upwards of 3,000,000*l.*, and although in the first instance, you *buy notes*, those notes are immediately exchanged for bullion, and the whole amount sent abroad is taken out of your reserve of bullion?—Yes, with the exception of 2,000,000*l.*

3668.—There would therefore be, during that period, *not the slightest contraction of Notes in the hands of the public, the same amount remaining in Circulation as if no gold had been exported?*—*That was the case.*

[The case is decisive against the Currency Theory, the teachers of which adduced as examples of mismanagement by the Bank the occasional discrepancies between the Bullion and the Circulation.]

3669.—Is there any reason to suppose that the circumstances then were an exception to what would be the result in any other similar case?—I have stated already in my evidence, that I thought the Bank at that period had allowed its reserve to go too low.

3670.—But *beyond a want of prudence in the Bank*, was there any other reason that you are aware of, why that period should differ from any other?—No.

[It was an especial merit ascribed to the Act of 1844, that it would render the amount of the Circulation independent of the discretion or prudence of the Directors.]

3671.—I have understood, from the former part of your evidence, that it was your opinion that in the month of November, 1846, the Bank ought to have raised its Rate of Discount?—Yes.

3672.—And you were induced to form that opinion from the observation you made as to the consequences of the bad harvest, which everybody admitted, and the state of the Exchanges?—Yes, the state of the exchanges with the United States; with the continent of Europe the exchanges were still in our favour.

3673.—You anticipated at that period a large importation of corn, and you therefore anticipated, as a prudent banker, a drain of gold?—Yes, I thought it was probable.

3674.—You were of one opinion, and the majority of the Directors of the Bank of England were of a different opinion; they acted in perfect conformity with the Act of 1844, though they acted contrary to your opinion, and, as circumstances turned out, it was proved that you formed the soundest opinion?—I cannot admit that either I or they acted as the Act of 1844 pointed out, because the Act of 1844 never pointed to the principle of the management of the Bank. All that the Act of 1844 did was to allow us to issue, to a certain extent, out of the Issue Department against securities, but it did not prescribe on what principles we were to manage the Bank.

3675.—Was it not part of the principle of the Act of 1844 to compel you to regulate your Circulation according to the Foreign Exchanges?—The Act of 1844 provides, that when an export of the precious metals takes place, *the circulation of the country is to be restricted in proportion; it has nothing to do with the management of the Bank.* Sir Robert Peel stated in his speech, on bringing in the Bill, that the Banking Department was to be carried on on the same principle as any other bank.

3676.—What do you mean by "Circulation?"—I mean the whole of the notes out of the Issue Department.

3677.—In a former answer you have stated that the effect of the Bank Act of 1844, and the principle upon which it was based, was to compel the Bank to regulate its transactions with reference to the foreign exchanges, and that prior to the Act of 1844 the Bank paid no attention to the foreign exchanges, and in consequence of that they had got into danger?—What I meant to say was, that the Act of 1844 provided for the Issue Department, leaving the Banking Department entirely as it was; previous to 1844 there was no prescription as to the Issue Department, and the effect of the Act of 1844 was to limit the Issue Department; that was what I intended to have said.

3678.—Before the Act of 1844, in the case of a drain of gold for payment of corn, would it have had a different effect upon the Circulation from the effect that the Act of 1844 has produced under similar circumstances?—*It ought not to have had a different effect,* but it might have had a different effect; if assistance had been attempted to be given to the commercial community, the effect

would have been to have given temporary relief; *but ultimately to render it necessary to have recourse to more stringent and violent measures instead of milder measures in the first instance.*

[I take the liberty of dissenting widely from this view. There does not appear to me to be the shadow of a ground for it.]

3679.—*Did it not amount to this, that the Bank of England never kept a prudent Reserve?*—If you speak of 1825, 1837, and 1839, I should say that they did not look sufficiently to the state of their reserve.

3680.—Then the effect of the Act was to provide means for the Bank doing what they ought to have done without it?—The Act of 1844 had nothing to do with the Bank management, except in so far as it *limited our means of getting notes*, in the same way as any private banker, and obliged us to *get notes out of the market* for the purpose of strengthening our reserve.

3681.—What real practical difference do you think arises from the separation of the two Departments in the management of the Bank?—The great advantage is, that the Bank is limited in the amount of notes that they have out of the Issue Department in the same *way* as any other banker is limited.

3682.—Do not the Notes out of the Issue Department represent what would, under the old system, be so much bullion in your possession; to make the question more clear, will you be good enough to turn to any one day, and state the amount of notes out with the public?—On the 1st of August, 1846, the amount of notes out with the public was, 20,495,000.

3683.—What was the amount of Reserve of Notes and Bullion?—The amount of the reserve of notes was 8,797,000*l.*, and the amount of coin was 9,307,000*l.*

3684.—Then under the *old system* the total amount of bullion in the Bank on that day would have been 15,800,000*l.*?—Yes.

3685.—*Under the old system, before* 1844, *what you call now your Reserve of Notes under the Act, would have merely represented so much Bullion prior to the separation of the two Departments of the Bank*; and previously to the Bank Act of 1844 coming into operation, the reserve of notes which you held on that day would simply have blended itself with the amount of bullion you held to meet your general liabilities?—The reserve would have been still in notes; I do not see how it would make any difference.

3686.—*The Reserve of Notes and the Bullion in the Issue Department are identical?—Yes, they are notes representing bullion.*

3687.—*Therefore, whether you call it a Reserve of Notes or a Reserve of Bullion, it would come to the same thing?—Yes.*

[These questions and answers ought to settle decisively, that

the real nature of what is called the Reserve of Notes in the Banking Department is a Reserve of Bullion.]

3688.—In what way can the separation of the two Departments affect the quantity of Reserve which you have for the general purposes of the Bank?—I will suppose that the Issue Department was a Government Bank of Issue; the Bank of England would then be a large banking company, and would receive a certain amount of notes in the shape of deposits; we should keep a portion in reserve, and the remainder we should invest in the purchase of securities.

3689.—I wish to place upon your evidence, what is the real practical difference arising from the separation of the two Departments; prior to the separation of the two Departments, you would have called that a Reserve of Bullion, and *since the separation of the two Departments the only difference is, that you call it a Reserve of Notes; but the two are perfectly identical, and, as you before stated, it was a mere matter of account?—It was a mere matter of account;* and, as I have stated before, we ought to have kept our accounts in the same way, whether the Departments were separated or not.

3690.—*Then the effect of the two Departments of the Bank would really not practically go beyond the matter of account?—The separation of accounts took place in* 1840, *independently of the Act.*

3691.—That is, you kept the two classes of Liabilities in separate accounts?—We had the same distinction in the separation between the Issue and Banking Departments that we have now. We considered that a certain amount was issued against securities, and a certain amount against bullion, and, *as a matter of account, that amount was kept as separate as it is under the Act.*

3692.—That is, knowing that your Deposits were acted upon by one principle, and your Circulation by another principle, you always kept a distinction between the two liabilities with regard to the amount of Reserve which you held against each?—We separated them as a matter of account, in order that we might know what the real amount of reserve of notes was, for the purpose of meeting our liabilities.

[But it was only one class of its liabilities to which a reserve was thus specifically appropriated, while its other liabilities were left unprotected. And in point of fact it is clear that a great proportion of the Reserve against the Notes was at the expense of the reserve, against its Deposits and other liabilities.]

3693.—But you did not call them notes then; you call them bullion?—We called them notes then.

3694.—But the reserve of notes which you hold now in the

Banking Department, forms part of the same fund of the reserve of Bullion which you held in the two Departments before they were separated?—*The principle on which the reserve is held in the Bank now is the same principle as it was previous to the passing of the Act of* 1814?—(*Mr. Prescott.*) *The reserve fluctuates with the increase or diminution of the bullion.*

3695.—If that be the case, in what way does the Act of 1844 regulate in any way the amount of reserve which you have at your command?—(*Mr. Morris.*) The Act of 1844 does not affect the reserve; our reserve is affected by our own management; the object of the Act of 1844 was *to control* the issue of the notes in the country, and not to regulate the manner in which we were to carry on our banking operations; *the object of the Act of* 1844 *was to limit the general circulation of the country;* but the object was not to control the action of the Bank of England as regards its banking management.

3696.—But the Act of 1844 does not regulate the issue of notes in the country?—The Act of 1844 allows the Bank of England to issue 14,000,000*l.* of notes against securities, the country bankers about 8,000,000*l.*, and the Scotch and Irish about 9,000,000*l.*, making altogether about 32,000,000*l.*; no other notes can be issued, unless they are issued in exchange for bullion.

3697.—*But the Act of* 1844 *does not regulate the quantity of notes that you issue to the public, but only the quantity that you issue from one Department to the other?*—The Act of 1844 regulates the whole amount of notes that can be issued to the public; a fixed amount may be issued against securities, and the remainder can only be issued against bullion.

3698.—(Mr. Spooner.) It fixes the maximum, but not the minimum?—I think it fixes the minimum of 11,000,000*l.*, but the maximum is fixed at 14,000,000*l.*

[Neither the question nor the answer is intelligible.]

3699.—(Mr. Wilson.) Prior to the Act of 1844, the same limit was produced by the quantity of bullion which you held?—Prior to the Act of 1844, we were at liberty to *issue any amount of notes we pleased;* there was no restriction to the amount of notes which we might issue; *the only restriction was the responsibility of paying them on demand.*

[This was not the only restriction, if by restriction is meant limitation; the limitation was in the demand for and use of Bank Notes by the public.]

3700.—Then the whole question as to whether you issued more Notes than you could pay on demand, depended upon the quantity of gold you held in reserve?—Yes.

3701.—*Therefore, had the affairs of the Bank of England been*

*regulated with prudence and discretion under the old system, it would have been managed in the same way as the Bank Act of 1844 defines that it shall be managed? — Yes.*

3702. — With regard to the issue of Notes, you stated in a former answer, that under any circumstances that could arise, you thought the Bank would be bound to keep its reserve up in the same way, whether the demand was for an internal and accidental drain, or for a permanent and foreign drain? — I stated that in looking at the demand upon our reserve, we were to treat it in the same way, whether it was an external or an internal demand, with this exception, that an internal demand might last for a short period, but the action of an external drain would be likely to continue longer.

3703. — With regard to the two practical periods of difficulty last year, were they not upon the payment of the Dividends? — It was at the period when the dividends were paid.

3704. — Is it your opinion that those two particular Crises had any relation to the payment of the dividends? — No, except as I have stated, that I thought in April the Bank would have acted more prudently by keeping a larger reserve for the purpose of paying the dividends.

3705. — But when the Dividends were paid in April and October, was not this the fact, that you had very much lessened the amount of notes issued to the public on account of having to pay the Dividends, and that the public had a difficulty in repaying those advances, which you had limited for the purpose of paying the Dividends? — In April the advances to the public to be repaid were not to a considerable amount; in October they were to a very considerable amount, and the public were alarmed at the idea of having to repay them; but the whole passed over without difficulty. The notes which were re-issued to the public in payment of the Dividends, enabled them to repay those advances, and we paid the dividends out of the notes which we received from the public; it was merely an exchange.

3706. — If you increase the issue of notes for the purpose of paying the dividends, you do not increase your liabilities as a Bank, because in proportion as you increase the circulation you diminish the amount of liabilities upon the deposits, the dividends being paid from the Government deposits? — As we pay the dividends, our liability to the Government for deposits diminishes.

3707. — Therefore, as you increase the Circulation, the Deposits diminish to the same amount? — The circulation does not increase considerably, because a large portion of the dividends is paid back to the Bank, and remains in the shape of deposits.

3708. — But the first effect of your increased circulation is not to increase your liabilities, because your Deposits are diminished in the same proportion? — Yes, the Government Deposits are decreased.

3709. — If there are 5,000,000*l.* of notes issued in payment of the dividends, that diminishes your liabilities or deposits to that amount, and therefore your entire liabilities remain the same as before? — Yes.

3710.—And having made advances which are due immediately after the payment of the dividends, you can always calculate with certainty upon the rapid return of those notes?—Yes.

3711.—Would you therefore consider, with reference to the circulation of notes in the country, that it was necessary for you to observe the same rule in the amount of your circulation of notes for the purpose of paying the dividends when you were sure of having the notes returned to you within a day or two, as you would observe if a merchant were to bring Bills of Exchange to you for discount for the purpose of sending gold abroad to meet a foreign payment?—I think you should deal with it as under the same circumstances.

3712.—Would you deal as under the same circumstances with an increased circulation of notes, which had taken place without an increase of your whole liabilities, and with a certainty that the notes must return to you in a few days, as you would deal with an increased circulation to the same amount, for the purpose of meeting a foreign demand. Supposing the Bank Act of 1844 did not exist, and you had no restriction upon your circulation, would you consider it necessary, for the purpose of paying the dividends, to restrict the issue of notes?—Whether the Act of 1844 had existed or not, we ought to have followed the same principles of action, and have retained notes for the purpose of meeting the dividend.

3713.—Supposing that on the eve of the payment of the dividends, your reserve was only 2,000,000*l.* of notes, with a reserve of 2,000,000*l.*, you would have some difficulty in sparing a sufficient quantity of notes to meet the payment of the dividends, without infringing the Act of 1844, but having the certainty that those notes must be returned to you, and that they would be in many instances transferred by check, and that they would pass out of your hands without increasing your liabilities, and would come back to you into the Issue Department, in the course of a few days, would you consider it an unsafe banking operation for you, as a banker, to increase your temporary issue of notes during that period for that specific purpose?—The position you have put, that our reserve was only 2,000,000*l.*, would indicate that the value of money was high, and as we always find in the payment of the dividends, that if the value of money is high, the notes are much longer returning to us than when money is cheap, I would say, that in such a case, it would be wrong to make a temporary issue.

3714.—But I am supposing that you had made temporary advances prior to the payment of the dividends upon such securities as you are perfectly satisfied with, which must be repaid to you in the following week, and with the very notes which you issue. Would you consider that under those circumstances it was necessary in banking prudence to limit your issues according to the principles of the Act?—*Yes, I would not depart from principle, though it was for such a short period of time.*

3715.—But would it be a departure from principle, inasmuch as this operation does not increase your liabilities, and prior to the

payment of the Dividends you can stop short in the advances upon Deposits?—We have never lent out nearly the amount of dividends that we are called upon to pay. We have lent out only a portion of that which we have to pay for the Dividend.

3716.—But at periods of pressure, when your Reserve is sunk very low, does it become necessary to apply that principle strictly on the occasion of the payment of the dividends, or of any other temporary payment, with the power that you have in your own possession of regaining those notes within a few days, not having added to your entire liabilities?—We have never let our reserve go down with that view; we are not able to pay the dividends without a sufficient amount of notes, and we always take care to have a sufficient amount of notes coming in to enable us to pay the dividends; if our reserve was so low as 2,000,000*l.*, a larger portion of the advances would have been made payable before the dividends became due, and not after they became due; that would be a matter of arrangement to enable us to pay the dividends; if the reserve was low, the money which would be lent out in the shape of loans would be lent out to be repaid previously to the payment of the dividends.

3717.—The Temporary Loans which you make prior to the payment of the dividends are made upon the principle of anticipating the payment of the Dividends, in order that the public may not be inconvenienced by the abstraction of so large a portion of money from the ordinary purposes of trade during the latter part of the quarter?—If the Government Balances are large, we lend out money, to be repaid previously to the payment of the dividends; supposing the Bank not to do so, the abstraction of notes from the market would be sensibly felt. We lend those balances out principally to be repaid previously to the payment of the dividends. The object is to lend a portion to be repaid before the payment of the dividends, and a portion to be paid during the week in which the dividends are paid.

3718.—The real object of your temporary advance is to issue a portion of your reserve which you would not issue otherwise?—Yes; the dividends are not paid on one day; the payment runs over three or four weeks.

3719.—They are paid within a day or two to the bankers?—That is merely a transference of the balances.

3720.—Would you consider it necessary, upon the strictest and most prudent principles of banking, to limit your issues to any particular amount for the temporary purpose of the payment of the dividends, which did not increase your liabilities, and with the certainty that the notes you issued must be returned to you within a few days?—*I think that I would in such a case strictly follow out those principles.*—(*Mr. Prescott.*) *In the case you put* such an *issue might be made without any detriment, except the danger* of *violating the principle.*

3721.—But could there be any practical danger to the Bank, or any practical inconvenience?—(*Mr. Morris.*) I think that *departing from principle is always dangerous.*

3722.—But the question is, whether it is departing from principle; we are now speaking of the prudent management of a bank, and I suppose you will agree with me that the true principles of banking are, first, that a bank shall never place itself in such a position as that it shall be unable to meet its liabilities; and next, that it shall employ the whole of its resources at the greatest profit that it can with reference to prudence, looking to its reserve?—Yes.

3723.—Are not those the two great principles of banking, and are not all the other principles subordinate to those?—Yes.

3724.—Then would it be contrary to those principles if, as the Deputy-Governor says you might do under such circumstances, you were to issue notes for that particular purpose?—It would be contrary to principle.—(*Mr. Prescott.*) It would be difficult to draw a distinction practically between the causes of the demand for notes, and therefore it would be dangerous to admit, for a temporary purpose, that it would be proper to make an issue of notes, lest such a precedent should lead to an issue of notes at a time when it might have a detrimental effect upon the exchanges.

3725.—Would it not be a matter of such discretion as the Governor showed that he exercised in the view he took in the month of November last; like all other business transactions, would not the circumstances in which the issue took place be matter for the fair consideration of those who made the issue; and would it not be a question of prudence and discretion of management?—*I think it would be difficult to draw a distinction in many cases.*

3726.—*I suppose you agree with me that the real effect of the Bank Act of* 1844 *is to keep up a large reserve of bullion for the sake of* the convertibility *of the notes?*—(*Mr. Morris.*) The object of the Act was to keep a sufficient amount of bullion to secure the convertibility of the note.

3727.—And it would be the duty of the Bank, looking at its legal liabilities, without the Act of 1844, but simply proceeding under the Act of 1819, to do the same thing?—Under the Act of 1819 the Bank was bound to take care that it was able to pay its notes in gold.

3728.—And if it did not do so, it did not manage its business properly?—If it did not do so it would stop payment.

3729.—But, in fact, the convertibility of the note was never hazarded?—I think the convertibility of the note was hazarded in 1825.

3730.—The note was always convertible?—The note was always convertible, but there was serious alarm in 1825 whether the note would be convertible or not.

3731.—Did it not at last resolve itself into this, that the Bank had to make a very serious sacrifice of its own securities in order to obtain gold for the purpose of maintaining the convertibility of the note?—No; it did not resolve itself into that; it obliged the Bank and the banking interests of the country to take such restrictive measures, that the whole community suffered considerably in

consequence of the Bank not having loooked sufficiently to the means of paying its notes.

3732.—Did not the Bank also suffer very largely?—Yes, it did.

3733.—Both in 1825 and 1829 by its operations in Paris?—In both periods we suffered, and in 1839 by its operation on Paris.

3734.—Then it amounts to this, that the Bank had overtraded with its capital, and it was unable to meet its liabilities without making a large sacrifice of its securities?—For the purpose of protecting itself, it created great difficulty throughout the country, being obliged to take stringent and violent measures, the effect of which fell upon the commercial community generally.

# APPENDIX XV.

THE SERIES OF CONCLUSIONS STATED IN THE CLOSING CHAPTER OF MY INQUIRY OF MARCH, 1844, INTO THE CURRENCY PRINCIPLE.

I INSERT here the series of Conclusions stated in the final chapter of my Pamphlet of 1844, as it may save the reader the trouble of delay or reference.—I have nothing to withdraw, or alter, in the opinions expressed:—

1. "That if a Purely Metallic Currency existed in a country situated as this is, transmissions of the precious metals might, and would, take place occasionally between this and other countries to a considerable amount (five or six millions *at least*), without affecting the amount or value of the currency of the country from which, or to which, the transmissions were made; and without being a cause, or a consequence, of alteration in general prices.

2. "That consequently the doctrine by which it is maintained that every export or import of Bullion in a Metallic Circulation must entail a corresponding diminution of, or addition to, the quantity of money in circulation, and thus cause a fall or rise of General Prices, is essentially incorrect and unsound.

3. "That the distinction set up by the Currency Theory between Bank Notes and other forms of Paper Credit, is not founded in any essential difference; except in so far as relates to the lowest denomination of notes, which are required in the transactions between dealers and consumers: that is, in the retail trade, and in the payment of wages.

4. "That Bills of Exchange might, but for the obstacle of stamp duties, be extensively substituted in all transactions of purchase and sale between dealers and dealers for Bank Notes of 10*l.* and upwards; and that, in point of fact, they were extensively so used until a disproportioned duty was laid upon the small bills.

5. "That Cheques perform the functions of money as conveniently, in most respects, as Bank Notes, and more conveniently in many respects.

6. "That Bank Notes of the higher denominations are used for peculiar purposes;—chiefly in settlements, such as the Clearing House, and in sales of landed and fixed property, as regards Bank of England Notes; and in the provision markets and cattle fairs as regards the Country Circulation; purposes for which substitutes

might easily be found (if Bank Notes were suppressed) by Bills of Exchange; and as regards the settlement among bankers, by Exchequer Bills, and by what have recently been termed economical expedients.

7. "That the amount of Bank Notes in the hands of the Public is determined by the purposes for which they are required, in circulating the capital, and in distributing the revenues of the different orders of the community, valued in gold.

8. "That it is not in the power of Banks of Issue, including the Bank of England, to make any direct addition to the amount of notes circulating in their respective districts, however disposed they may be to do so. In the competition of Banks of Issue to get out their notes, there may be an extension of the circulation of some one or more of them in a large district, but it can only be by displacing the the notes of rival banks.

9. "That neither is it in the power of Banks of Issue *directly* to diminish the total amount of the Circulation: particular banks may withhold loans and discounts, and may refuse any longer to issue their own notes; but their notes so withdrawn will be replaced by the notes of other banks, or by other expedients calculated to answer the same purpose.

10. "That it is, consequently, an error to suppose that, however well-informed the Country Bankers might be of the state of the Foreign Exchanges, and disposed to follow those indications, they would be able to regulate their Circulation in conformity with such views. And that it is equally an error to suppose that the Bank of England can exercise a *direct* power over the exchanges through the medium of its Circulation.

11. "That neither the Country Banks nor the Bank of England have it in their power to make additional issues of their paper (that is, of their notes,) come in aid of their banking resources. All advances by way of loan or discount, when the Circulation is already full, can only be made by Banks of Issue in the same way as by non-issuing banks, that is, out of their own capital, or that of their depositors.

12. "That the Prices of Commodities do not depend upon the quantity of money indicated by the amount of Bank Notes, nor upon the amount of the whole of the Circulating Medium; but that, on the contrary, the amount of the Circulating Medium is the consequence of Prices.

13. "That it is the quantity of Money, constituting the revenues of the different orders of the State, under the head of rents, profits, salaries, and wages, destined for current expenditure, which alone forms the limiting principle of the aggregate of money prices; — the only prices that can properly come under the designation of General Prices. As the cost of production is the limiting principle of supply, so the aggregate of money incomes devoted to expenditure for consumption, is the determining and limiting principle of demand.

14. "That a Reduced Rate of Interest has no necessary tendency

to raise the prices of commodities. On the contrary, it is a cause of diminished cost of production, and consequently, of cheapness.*

15. "That it is only through the Rate of Interest and the State of Credit that the Bank of England can exercise a direct influence on the Foreign Exchanges.

16. "That the greater or less liability to variation in the Rate of Interest constitutes, in the degree next only to the preservation of the Convertibility of the Paper and the solvency of banks, the most important consideration in the regulation of our Banking System.

17. "That a total separation of the business of Issue from that of Banking, is calculated to produce greater and more abrupt transitions in the Rate of Interest, and in the state of Credit, than the present system of union of the Departments." †

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* "An objection has been taken to this proposition, as involving, with reference to the one immediately following, an apparent inconsistency. If is urged that if a low rate of interest is a cause of cheapness, by a parity of reasoning, a high rate of interest must be a cause of dearness: it should seem, therefore, to follow, that the Bank, in raising the rate of interest with a view to redress the exchanges, would raise the prices of commodities, thus exhibiting the anomaly of advanced prices co-existent with an effort on the part of the Bank to restore an influx of bullion. The answer to this objection is, that in the argument leading to the conclusion that a low rate of interest is a cause of cheapness, I have expressly assumed that the reduced rate should be of such duration or permanence as to enter into the cost of production; and the converse holds of a rise in the rate of interest. Now, the operation of the Bank in raising the rate in order to counteract a drain, cannot be considered of such permanence as to affect the cost of production. And the greater the rise in the rate of interest from a forcible operation of the Bank on its securities, the less must be the probability of its duration. But there is a further and still more decisive answer to the objection, and that is, that although the direct operation of the Bank, with the view supposed, is on the rate of interest; it can rarely be effectual, unless the advance be so great, or the circumstances from previous over-trading such as to affect credit and entail failures. Now commercial discredit, involving extensive failure, is calculated to depress prices, and thus, with an advanced rate of interest, to stop a drain, and to force an influx of bullion; and, accordingly, the proposition No. 15. refers to the operation by the Bank on the rate of interest, *and the state of credit*, as the only power which it has of directly influencing the exchanges in contradistinction to the power ascribed to it, of acting directly on the amount of the circulation."

† The Conclusions stated in this Appendix were those of the pamphlet published in March, 1844, entitled "An Inquiry into the Currency Principle," by Thomas Tooke, F.R.S. Longman and Co.

# APPENDIX XVI.

BANK OF FRANCE, 1848—1856.—STATEMENT, IN A SUMMARY FORM, OF THE LEADING ENTRIES IN THE OFFICIAL RETURNS AT FOUR OR MORE DATES DURING EACH OF THE NINE YEARS 1848-56, EXPRESSED IN MILLIONS STERLING AT 25 fr. PER £.

IN the Table (E.), introduced (page 644. &c.) in this Appendix, I have given a statement, at several dates in each year since 1847, of the position of the Bank of France, as set forth in the official Returns signed by the Governor of the Bank, Comte d'Argout, and published periodically in the *Moniteur*.

For all the years prior to 1856, I have considered it sufficient to confine the abstract to four dates in each year,—selecting as most appropriate the months of January, April, July, and October. In 1856, I have given three dates in the second half of the year, in order to exhibit the changes in the condition of the Bank during the Crisis of the autumn of 1856.

Under the Decrees of March, 1848, suspending Cash Payments, the Bank of France was required to publish weekly a full Return of its condition on the last day of the week; and those Returns were continued without any intermission, until the resumption of Cash Payments in August, 1850. The Returns were then published once in each month.

The new Charter of March, 1852, provided in the first instance for the publication of a Return *once* in three months; but this provision was modified, the plan of monthly Returns was adopted, and the dates selected were the second Thursdays of each month.

As published in the *Moniteur*, the Returns extend into great detail; and set forth no less than sixteen items on the Liability, and twenty-one items on the Asset side of the account.

The real changes in the condition of the Bank arise upon a few only of these items; and it is to the items really important that the statement in Table (B.) is confined.

The French money has been converted throughout into sterling at 25 fr. per £; and the results are given in Millions and

Decimals of Millions, not only as a mode of saving space, but also for the more important purpose of getting rid of quantities and symbols which only confuse the attention.

It is necessary, however, to exhibit a detail of the large items of Other Liabilities and Other Assets appearing in columns 12. and 31. of the Table E.; and I have therefore analysed the Return of the 9th October, 1856, as one of the most recent and best adapted for the purpose.

And the result is contained in the following statement (A.):

(A.) BANK OF FRANCE, 9th Oct. '56. (Full Report.)

(I.) *Liabilities* (*Passif*).

| | £ | £ |
|---|---|---|
| Capital, paid up - - | 3,650,000 | |
| Reserve Fund - - | 519,000 | |
| Fixed reserve in Land - | 160,000 | |
| | | 4,329,000 |
| *Profit and Loss.* — Interest and Discounts at Paris and Branches since 1st July, 1856 - - - | 450,000 | |
| Re-Discounts of last half-year - - - | 65,000 | |
| Recoveries of Bad Debts - | 1,000 | |
| | | 516,000 |
| Dividends due to Proprietors - - | | 67,000 |
| Sundries - - - - - | | 418,000 |
| Total of Col. 12. (Other Liabilities) Table (E.) - | | 5,330,000 |

*Add Items embraced in Table* (E.), viz.: —

| | | |
|---|---|---|
| Circulation: Paris - | 22,080,000 | |
| „ Branches - | 2,760,000 | |
| | | 24,840,000 |
| Bank Post Bills: Paris - | 170,000 | |
| „ Branches - | 140,000 | |
| | | 310,000 |
| Deposits — Public: Paris - | 4,060,000 | |
| Private „ - | 4,800,000 | |
| „ Branches | 940,000 | |
| | | 9,800,000 |
| Total Liabilities - | | £40,280,000 |

(II.) *Assets* (*Actif*).

| | £ | £ |
|---|---|---|
| Advance to the State — Treaty of 30th June, '48 - - | 2,200,000 | |
| Discounts for the Treasury of Treasury Bonds - - | 1,600,000 | |
| | | 3,800,000 |
| Rentes of the Reserve - - | 519,000 | |
| Rentes, disposable funds - | 2,088,000 | |
| | | 2,607,000 |
| Overdue Bills: Paris - - - | | 24,000 |
| House and Furniture: Paris - | 160,000 | |
| „ Branches | 210,000 | |
| | | 370,000 |
| Premiums paid for the Purchase of Gold and Silver since 1st July, 1856 - - | | 85,000 |
| Profit and Loss: Expenses of Management since 1st July, 1856 - - - | | 47,000 |
| Sundries - - - - - - | | 147,000 |
| Total of Col. 31. (Other Assets) Table (E.) - | | 7,080,000 |
| *Add Items embraced in Table* (E.) viz.: — | | |
| Bullion and Coin: Paris - | 3,080,000 | |
| Branches - | 3,600,000 | |
| | | 6,680,000 |
| Private Securities: Paris - | 10,880,000 | |
| Branches - | 9,600,000 | |
| | | 20,480,000 |
| Advances on Ingots: Paris - | 150,000 | |
| Branches | 150,000 | |
| | | 300,000 |
| Advances on Rentes: Paris - | 3,040,000 | |
| Branches | 480,000 | |
| | | 3,520,000 |
| Advances on Shares: Paris - | 1,520,000 | |
| Branches | 700,000 | |
| | | 2,220,000 |
| Total Assets - | | £40,280,000 |

In framing this statement (A.) I have not confined myself to the order of the items as they appear in the *Moniteur*; nor to the exact phraseology there employed in describing them; but I have sought to present the account in a form in which it will be best understood by English readers, at the same time adhering scrupulously to the real purport of the original Return.

From the details indicated in Table (A.) we may usefully frame a further statement which shall bring into juxtaposition the leading items in the condition of the Bank of France and the Bank of England during the year 1856; and such a statement will be found in the following Summary (B.):

(B.) BANK OF FRANCE AND BANK OF ENGLAND, 1856. — *STATEMENT of the COMPARATIVE MAGNITUDE of the leading Items of the LIABILITIES and ASSETS, upon an approximate AVERAGE of the Year* 1856, *stated in Millions sterling.*

| 1856. | Bank of France. *Mlns.* | | *Bank of England.* *Mlns.* | |
|---|---|---|---|---|
| (I.) LIABILITIES. | | | | |
| Circulation: Head Office - | 21·00 | - - | 12·50 | |
| „ Branches - | 3·00 | - - | 8·50 | |
| | | 24·00 | | 21·00 |
| Deposits: Public (H. O.) - | 3·50 | - - | 4·00 | |
| „ Private (H. O. & Br.) | 6·50 | - - | 10·00 | |
| | | 10·00 | | 14·00 |
| | | 34·00 | | 35·00 |
| Capital: Paid up - - - | 3·65 | - - | 14·55 | |
| „ Reserve or Rest - | 65 | - - | 3·25 | |
| | | 4·30 | | 17·80 |
| | | 38·30 | | 52·80 |
| (II.) ASSETS. | | | | |
| Lent to Government — Government Debt - - | 2·20 | - - | 11·00 | |
| | | 2·20 | | 11·00 |
| Securities: Public Funds - | 7·60 | - - | 13·50 | |
| „ Private (Dis. &c.) | 18·00 | - - | 17·30 | |
| „ Shares, &c. - | 2·00 | - - | — | |
| | | 27·60 | | 30·80 |
| Bullion: Head Office - - | 3·50 | | | |
| „ Branches - - | 5·00 | - - | 11·00 | |
| | | 8·50 | | 11·00 |
| | | 38·30 | | 52·80 |

The most striking difference indicated by these figures is the amount of the respective paid-up Capitals of the two Banks. The Capital and Rest of the Bank of England is *four* times the Capital and Rest of the Bank of France, — namely, 18 Millions, as compared with $4\frac{1}{3}$ Millions; and while about 60 per cent. of the Capital of each Bank is lent to the State, the surplus remaining is of course very different in the two cases.

The amount of accommodation afforded to the public in the form of advances does not differ materially. The Bank of France lends on Securities, Public and Private, say 28 Millions, and the Bank of England 31 Millions. But the basis of these operations in the two establishments is marked by a wide difference.

The Bank of France has a Reserve of Bullion and Government Debt of 11 Millions; while the Bank of England has a Reserve, similarly composed, of 22 Millions.

## II.

These memoranda may be completed by the following statement of the alterations in the Rates of Discount at the Bank of France, from the date of its foundation in 1800 to the present time.

The List naturally divides itself into four periods, namely, (I.) from 1800 to 1820; — (II.) from 1820 to the close of 1846, during the whole of which the rate remained at 4 per cent.; — (III.) the alterations in 1847, arising from the food crisis; and (IV.) the period from 1852 to the present time; a period which commenced with the reduction of the rate to 3 per cent., and closed with its rise to more than 6 per cent.

(D.) BANK OF FRANCE. — *ALTERATIONS of the RATE of DISCOUNT*, 1800—1856.

| Date. | Rate per ct. per an. | Echéance of Bills. |
|---|---|---|
| I. | | |
| 1800 — 20 February - | 6 per ct. | Ninety days. |
| 1806 — 13 November - | 5 „ | „ |
| 1807 — 4 August - | 4 „ | „ |
| 1814 — 1 March - | 5 „ | „ |
| „ — 1 August - | 4 „ | „ |
| 1819 — 1 June - | 4 & 5 „ | 4 per ct. if *under* 30 days.<br>5 „ *above* 30 „ |
| 1820 — 1 February - | 4 „ | Ninety days. |
| II. | | |
| 1847 — 14 January - | 5 „ | „ |
| „ — 27 December - | 4 „ | „ |
| III. | | |
| 1852 — 3 March - | 3 „ | „ |
| 1853 — 7 October - | 4 „ | „ |
| 1854 — 20 January - | 5 „ | „ |
| „ — 12 May - | 4 „ | „ |
| 1855 — 5 October - | 5 „ | „ |
| „ — 19 „ - | 6 „ | Seventy-five days. |
| 1856 — 31 March - | 5 „ | Ninety days. |
| „ — 25 September | 6 „ | „ |
| „ — 6 October - | 6 „ | Sixty days. |
| „ — 26 December | 6 „ | Seventy-five days. |

The following (Table (E.)) are the Returns of the Bank of France, already described at page 638. *antè*.

(E.) BANK OF FRANCE. — *March*, 1848—*Dec.* 1856. — *Abstract of the* NINE YEARS, *stated in*

(I.) LIABILITIES

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| DATES. | Billets to Bearer. (Circulation.) | | | Billets to Order. (Bank Post Bills.) | | |
| | Paris. | Branches. | – | Paris. | Récépissés. | – |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| **1848.** | | | | | | |
| 30 Mar. - | 11·43 | ·59 | 12·02 | ·09 | – | ·09 |
| 18 May - | 12·09 | 4·03 | 16·12 | ·05 | – | ·05 |
| 7 July - | 12·24 | 2·96 | 15·20 | ·02 | – | ·02 |
| 12 Oct. - | 13·73 | 1·86 | 15·59 | ·03 | – | ·03 |
| **'49.** | | | | | | |
| 4 Jan. - | 16·19 | ·66 | 16·86 | ·02 | ·17 | ·19 |
| 5 Apl. - | 16·54 | ·94 | 17·49 | ·04 | ·22 | ·26 |
| 5 July - | 14·88 | 1·40 | 16·28 | ·03 | ·20 | ·23 |
| 4 Oct. - | 15·10 | 2·30 | 17·40 | ·03 | ·39 | ·42 |
| **'50.** | | | | | | |
| 3 Jan. - | 15·14 | 2·84 | 17·98 | ·08 | ·24 | ·32 |
| 4 Apl. - | 16·39 | 2·84 | 19·24 | ·06 | ·24 | ·31 |
| 4 July - | 17·07 | 2·93 | 20·00 | ·38 | ·25 | ·63 |
| 3 Oct. - | 16·66 | 3·02 | 19·68 | ·30 | ·23 | ·53 |
| **'51.** | | | | | | |
| 4 Jan. - | 16·82 | 3·48 | 20·30 | ·24 | ·25 | ·50 |
| 5 Apl. - | 17·07 | 3·90 | 20·98 | ·24 | ·33 | ·57 |
| 5 July - | 16·68 | 4·42 | 21·10 | ·25 | ·39 | ·64 |
| 4 Oct. - | 16·73 | 4·67 | 21·40 | ·31 | ·57 | ·88 |
| **'52.** | | | | | | |
| 2 Jan. - | 18·78 | 5·06 | 23·84 | ·36 | ·56 | ·91 |
| 8 Apl. - | 20·05 | 5·35 | 25·40 | ·24 | ·66 | ·89 |
| 8 July - | 19·27 | 5·80 | 25·07 | ·29 | ·58 | ·86 |
| 11 Oct. - | 19·26 | 6·16 | 25·42 | ·21 | ·51 | ·72 |

*STRACT of OFFICIAL RETURNS at FOUR or more DATES of each Millions Sterling, at 25 fr. per £.*

(PASSIF).

| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|---|---|---|---|---|---|---|
| Current Accounts. (Deposits.) | | | | Other Liabilities. | TOTAL LIABILITIES. | DATES. |
| Treasury. | Paris. | Branches. | – | | | |
| Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | |
| | | | | | | **1848.** |
| 2·33 | 3·03 | – | 5·36 | 3·58 | 21·06 | 30 Mar. |
| ·82 | 2·84 | – | 3·66 | 4·75 | 24·59 | 18 May |
| ·20 | 3·08 | ·87 | 4·15 | 4·92 | 24·28 | 7 July |
| ·67 | 3·04 | ·96 | 4·67 | 5·01 | 25·30 | 12 Oct. |
| | | | | | | **'49.** |
| ·77 | 3·32 | 1·06 | 5·15 | 4·87 | 27·07 | 4 Jan. |
| 1·13 | 3·79 | 1·03 | 5·95 | 4·91 | 28·61 | 5 Apl. |
| ·90 | 3·83 | 1·14 | 5·87 | 4·95 | 27·33 | 5 July |
| 2·08 | 3·41 | 1·15 | 6·65 | 5·03 | 29·50 | 4 Oct. |
| | | | | | | **'50.** |
| 2·88 | 3·13 | 1·19 | 7·20 | 4·98 | 30·49 | 3 Jan. |
| 1·72 | 4·01 | 1·08 | 6·81 | 4·92 | 31·28 | 4 Apl. |
| 1·90 | 2·96 | 1·06 | 5·92 | 4·51 | 31·06 | 4 July |
| 2·27 | 2·85 | 1·05 | 6·17 | 4·56 | 30·94 | 3 Oct. |
| | | | | | | **'51.** |
| 3·08 | 3·15 | 1·00 | 7·23 | 4·65 | 32·68 | 4 Jan. |
| 3·57 | 3·31 | 1·11 | 4·42 | 8·13 | 34·09 | 5 Apl. |
| 4·29 | 3·69 | 1·40 | 9·39 | 4·53 | 35·66 | 5 July |
| 3·65 | 4·72 | 1·25 | 9·62 | 3 53 | 36·44 | 4 Oct. |
| | | | | | | **'52.** |
| 2·09 | 4·69 | 1·21 | 7·99 | 4·63 | 37·37 | 2 Jan. |
| 2·93 | 6·93 | 1·04 | 10·90 | 4·49 | 41·69 | 8 Apl. |
| 4·79 | 5·21 | 1·04 | 11·04 | 4·51 | 41·49 | 8 July |
| 4·79 | 4·59 | 1·02 | 10·40 | 4·55 | 41·09 | 11 Oct. |

TABLE (E.)—*continued.* (I.) LIABILITIES

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| DATES. | Billets to Bearer. (Circulation.) | | | Billets to Order. (Bank Post Bills.) | | |
| | Paris. | Branches. | – | Paris. | Récépissés. | – |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| **1853.** | | | | | | |
| 13 Jan. - | 20·83 | 6·61 | 27·44 | ·24 | ·47 | ·71 |
| 14 Apl. - | 20·41 | 6·37 | 26·78 | ·22 | ·41 | ·62 |
| 10 July - | 19·57 | 6·60 | 26·17 | ·25 | .49 | ·74 |
| 13 Oct. - | 20·09 | 6·29 | 26·38 | ·26 | ·48 | ·74 |
| **'54.** | | | | | | |
| 19 Jan. - | 20·06 | 5·66 | 25·72 | ·27 | ·36 | ·63 |
| 13 Apl. - | 18·68 | 5·13 | 23·81 | ·26 | ·47 | ·73 |
| 13 July - | 18·68 | 5·37 | 24·04 | ·24 | ·41 | ·64 |
| 12 Oct. - | 19·45 | 5·60 | 25·06 | ·23 | ·44 | ·67 |
| **'55.** | | | | | | |
| 11 Jan. - | 20·28 | 5·72 | 26·00 | ·28 | ·35 | ·63 |
| 12 Apl. - | 21·14 | 4·99 | 26·13 | ·24 | ·39 | ·63 |
| 12 July - | 21·87 | 4·67 | 26·54 | ·25 | ·34 | ·59 |
| 11 Oct. - | 21·50 | 4·50 | 26·00 | ·22 | ·24 | ·46 |
| **'56.** | | | | | | |
| 10 Jan. - | 20·50 | 3·82 | 24·32 | ·22 | ·16 | ·38 |
| 13 Mch. - | 21·21 | 3·55 | 24·76 | ·22 | ·18 | ·40 |
| 10 July - | 22·07 | 3·22 | 25·29 | ·22 | ·14 | ·36 |
| 11 Sept. - | 21·74 | 3·08 | 24·82 | ·18 | ·20 | ·38 |
| 9 Oct. - | 22·08 | 2·76 | 24·84 | ·17 | ·14 | ·31 |
| 11 Dec. - | 20·56 | 2·76 | 23·32 | ·14 | ·14 | ·28 |
| **'57.** | | | | | | |
| 8 Jan. - | 21·76 | 2·73 | 24·49 | ·21 | ·14 | ·35 |

(PASSIF). TABLE (E.) — *continued.*

| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|---|---|---|---|---|---|---|
| Current Accounts. (Deposits.) | | | | Other Liabilities. | TOTAL LIABILITIES. | DATES. |
| Treasury. | Paris. | Branches. | – | | | |
| Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | |
| | | | | | | **1853.** |
| 5·54 | 4·66 | 1·10 | 11·30 | 4·51 | 43·96 | 13 Jan. |
| 2·88 | 4·46 | 1·11 | 8·46 | 4·65 | 40·52 | 14 Apl. |
| 2·92 | 6·36 | 1·01 | 10·28 | 4·63 | 41·82 | 10 July |
| 2·23 | 6·53 | 1·40 | 10·16 | 4·66 | 41·94 | 13 Oct. |
| | | | | | | **'54.** |
| 1·94 | 5·05 | 1·06 | 8·05 | 4·59 | 39·00 | 19 Jan. |
| 3·09 | 6·91 | 1·16 | 11·16 | 4·86 | 40·56 | 13 Apl. |
| 2·73 | 4·44 | 1·28 | 8·45 | 4·76 | 37·90 | 13 July |
| 1·81 | 4·50 | 1·12 | 7·44 | 5·14 | 38·30 | 12 Oct. |
| | | | | | | **'55.** |
| 2·93 | 4·63 | ·93 | 8·49 | 4·77 | 39·90 | 11 Jan. |
| 3·15 | 4·70 | 1·18 | 9·03 | 7·23 | 43·02 | 12 Apl. |
| 2·35 | 4·87 | 1·22 | 8·44 | 4·90 | 40·56 | 12 July |
| 4·07 | 5·80 | 1·22 | 11·09 | 4·91 | 42·46 | 11 Oct. |
| | | | | | | **'56.** |
| 2·05 | 4·27 | ·95 | 7·27 | 4·85 | 36·82 | 10 Jan. |
| 3·23 | 3·91 | 1·11 | 8·25 | 5·05 | 38·46 | 13 Mch. |
| 3·61 | 6·95 | 1·13 | 11·69 | 5·02 | 42·36 | 10 July |
| 4·75 | 4·00 | 1·20 | 9·95 | 4·79 | 39·94 | 11 Sept. |
| 4·06 | 4·80 | ·94 | 9·80 | 5·33 | 40·28 | 9 Oct. |
| 3·71 | 4·68 | ·96 | 9·35 | 5·05 | 38·00 | 11 Dec. |
| | | | | | | **'57.** |
| 3·06 | 5·55 | ·91 | 9·51 | 5·18 | 39·53 | 8 Jan. |

TABLE (E.)—*continued.* (II.) ASSETS

| 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
|---|---|---|---|---|---|---|---|---|---|
| DATES. | Coin and Bullion. | | | Portfolio (Discounts). | | | Advances on Ingots. | | |
| | Paris. | Branches. | TOTAL. | Paris. | Branches. | TOTAL. | Paris. | Branches. | TOTAL. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| **1848.** | | | | | | | | | |
| 30 Mch. - | 2·20 | 1·88 | 4·08 | 10·35 | 2·06 | 12·41 | ·11 | – | ·11 |
| 18 May - | 2·48 | 2·15 | 4·63 | 6·78 | 6·97 | 13 75 | ·29 | – | ·29 |
| 7 July - | 3·30 | 2·95 | 6·25 | 4·78 | 5·74 | 10·52 | ·54 | – | ·54 |
| 12 Oct. - | 5·09 | 4·07 | 9·16 | ·28 | 4·46 | 4·74 | ·54 | – | ·54 |
| **'49.** | | | | | | | | | |
| 4 Jan. - | 5·82 | 4·67 | 10·49 | 2·31 | 4·25 | 6·56 | ·77 | – | ·77 |
| 5 Apl. - | 7·94 | 5·34 | 13·28 | 2·04 | 3·44 | 5·48 | ·70 | – | ·70 |
| 5 July - | 8·56 | 4·92 | 13·48 | 1·90 | 3·23 | 5·13 | ·29 | ·03 | ·32 |
| 4 Oct. - | 10·65 | 5·51 | 16·16 | 1·73 | 3·14 | 4·86 | ·26 | ·01 | ·27 |
| **'50.** | | | | | | | | | |
| 3 Jan - | 12·05 | 5·25 | 17·30 | 1·84 | 3·07 | 4·91 | ·20 | ·02 | ·22 |
| 4 Apl. - | 13·48 | 5·49 | 18·98 | 1·66 | 2·64 | 4 30 | ·10 | ·01 | ·11 |
| 4 July - | 13·42 | 4·75 | 18·17 | 1·82 | 2·74 | 4·56 | ·12 | ·02 | ·14 |
| 3 Oct. - | 13·44 | 4·44 | 17·87 | 1·90 | 3·21 | 5·11 | 18 | ·05 | ·23 |
| **'51.** | | | | | | | | | |
| 2 Jan. - | 13·86 | 4·98 | 18·84 | 2·32 | 3·70 | 6·02 | ·12 | ·06 | ·18 |
| 3 Apl. - | 15·74 | 5·84 | 21·58 | 1·83 | 3·10 | 4·93 | ·05 | ·05 | ·10 |
| 3 July - | 17·96 | 5·57 | 23·53 | 1·58 | 2·88 | 4·46 | ·08 | ·08 | ·16 |
| 2 Oct. - | 19·93 | 5·10 | 25·03 | 1·40 | 2·49 | 3·88 | ·01 | ·08 | ·09 |
| **'52.** | | | | | | | | | |
| 2 Jan. - | 18·41 | 4·28 | 22·69 | 2·22 | 2·99 | 5·21 | ·03 | ·13 | ·16 |
| 8 Apl. - | 19·32 | 4·74 | 24·06 | 1·80 | 2·97 | 4·78 | ·02 | ·11 | ·13 |
| 8 July - | 19·93 | 4·10 | 24·04 | 2·47 | 3·82 | 6·29 | ·16 | ·04 | ·20 |
| 11 Oct. - | 19·80 | 3·63 | 23·44 | 3·99 | 4·58 | 8·56 | ·08 | ·05 | ·13 |

(ACTIF). TABLE (E.)—*continued.*

| 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | |
|---|---|---|---|---|---|---|---|---|
| Advances on Public Stocks. | | | Advances on Shares. | | | Other Assets. | TOTAL ASSETS. | DATES. |
| Paris. | Branches. | TOTAL. | Paris. | Branches. | TOTAL. | | | |
| Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | |
| | | | | | | | | **1848.** |
| ·50 | – | ·50 | – | – | – | 4·65 | 21·06 | 30 Meh. |
| ·77 | – | ·77 | – | – | – | 5·15 | 24·59 | 18 May. |
| 1·53 | ·10 | 1·63 | – | – | – | 5·33 | 24·28 | 7 July. |
| 1·36 | ·06 | 1·42 | – | – | – | 9·45 | 25·30 | 12 Oct. |
| | | | | | | | | **'49.** |
| 1·31 | ·06 | 1·37 | – | – | – | 7·87 | 27·07 | 4 Jan. |
| 1·19 | ·06 | 1·25 | – | – | – | 7·89 | 28·61 | 5 Apl. |
| ·92 | ·05 | ·97 | – | – | – | 7·43 | 27·33 | 5 July. |
| ·81 | ·05 | ·87 | – | – | – | 7·33 | 29·50 | 4 Oct. |
| | | | | | | | | **'50.** |
| ·76 | ·10 | ·86 | – | – | – | 7·30 | 30·49 | 3 Jan. |
| ·70 | ·10 | ·81 | – | – | – | 7·09 | 31·28 | 4 Apl. |
| ·71 | ·10 | ·81 | – | – | – | 7·38 | 31·06 | 4 July. |
| ·63 | ·09 | ·72 | – | – | – | 7·00 | 30·94 | 3 Oct. |
| | | | | | | | | **'51.** |
| ·36 | ·09 | ·45 | – | – | – | 7·19 | 32·68 | 2 Jan. |
| ·32 | ·08 | ·40 | – | – | – | 7·07 | 34·09 | 3 Apl. |
| ·34 | ·09 | ·42 | – | – | – | 7·10 | 35·66 | 3 July. |
| ·33 | ·13 | ·46 | – | – | – | 6·99 | 36·44 | 2 Oct. |
| | | | | | | | | **'52.** |
| ·56 | ·09 | ·65 | – | – | – | 8·76 | 37·37 | 2 Jan. |
| 5·60 | ·16 | 5·76 | ·17 | ·01 | ·18 | 6·78 | 41·69 | 8 Apl. |
| 1·70 | ·24 | 1·94 | ·78 | ·18 | ·96 | 8·06 | 41·49 | 8 July. |
| 1·17 | ·33 | 1·50 | 1·13 | 35 | 1·47 | 5·99 | 41·09 | 11 Oct. |

TABLE (E.)—*continued.* (II.) ASSETS

| 15. | 16. | 17 | 18 | 19. | 20 | 21 | 22 | 23 | 24 |
|---|---|---|---|---|---|---|---|---|---|
| DATES. | Coin and Bullion. | | | Portfolio (Discounts). | | | Advances on Ingots. | | |
| | Paris. | Branches. | TOTAL. | Paris. | Branches. | TOTAL. | Paris. | Branches. | TOTAL. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| **1853.** | | | | | | | | | |
| 13 Jan. - | 15·93 | 3·36 | 19·30 | 6·27 | 6·40 | 12·67 | ·10 | ·06 | ·16 |
| 14 Apl. - | 15·90 | 4·00 | 19·90 | 4·74 | 5·26 | 10·99 | ·04 | ·04 | ·08 |
| 10 July - | 14·96 | 4·19 | 19·15 | 5·34 | 6·05 | 11·39 | ·07 | ·03 | ·10 |
| 13 Oct. - | 11·10 | 4·11 | 15·22 | 7·45 | 7·73 | 15·18 | ·05 | ·06 | ·11 |
| **'54.** | | | | | | | | | |
| 12 Jan. - | 8·07 | 3·73 | 11·80 | 7·54 | 8·58 | 16·12 | ·06 | ·10 | ·16 |
| 13 Apl. - | 8·91 | 5·85 | 14·77 | 7·78 | 7·48 | 15·26 | ·05 | ·05 | ·10 |
| 13 July - | 11·08 | 7·00 | 18·08 | 4·75 | 6·27 | 11·02 | ·03 | ·05 | ·09 |
| 12 Oct. - | 13·04 | 6·04 | 19·08 | 4·41 | 5·80 | 10·22 | ·03 | ·03 | ·06 |
| **'55.** | | | | | | | | | |
| 11 Jan. - | 8·56 | 5·96 | 14·51 | 6·82 | 7·40 | 14·22 | ·09 | ·04 | ·13 |
| 12 Apl. - | 9·01 | 8·30 | 17·30 | 6·15 | 6·76 | 12·92 | ·17 | ·04 | ·21 |
| 12 July - | 4·66 | 7·93 | 12·59 | 7·63 | 7·64 | 15·27 | ·11 | – | ·11 |
| 11 Oct. - | 4·47 | 4·83 | 9·30 | 10·00 | 9·32 | 19·32 | ·19 | ·04 | ·23 |
| **'56.** - | | | | | | | | | |
| 10 Jan. - | 3·26 | 4·74 | 8·00 | 9·43 | 8·44 | 17·87 | ·12 | ·06 | ·18 |
| 13 Mch. - | 3·66 | 4·90 | 8·56 | 9·62 | 7·66 | 17·28 | ·10 | ·08 | ·18 |
| 10 July - | 3·48 | 5·72 | 9·20 | 10·30 | 8·54 | 18·84 | ·19 | ·10 | ·29 |
| 11 Sept. - | 4·52 | 4·90 | 9·42 | 8·85 | 8·71 | 17·56 | ·07 | 0·9 | ·16 |
| 9 Oct. - | 3·08 | 3·60 | 6·68 | 10·88 | 9·60 | 20·48 | ·15 | ·15 | ·30 |
| 11 Dec. - | 3·44 | 4·48 | 7·92 | 9·48 | 10·96 | 20·44 | ·05 | ·14 | ·20 |
| **'57.** | | | | | | | | | |
| 8 Jan. - | 2·88 | 4·80 | 7·68 | 11·22 | 11·40 | 22·62 | ·03 | ·12 | ·15 |

NOTE.—The amounts are given in Millions Sterling and Decimals: thus, 11·43 represents 11,430,000*l.*; number of months or weeks, but represent the state of the Bank of France on the several individual days given. the result of the union is included in the figures of 18th May, 1848.

(ACTIF) — *continued.*

| 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 |
|---|---|---|---|---|---|---|---|---|
| Advances on Public Stocks. | | | Advances on Shares. | | | Other Assets. | TOTAL ASSETS. | DATES. |
| Paris. | Branches. | TOTAL. | Paris. | Branches. | TOTAL. | | | |
| Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | |
| | | | | | | | | **1853.** |
| 2·51 | ·55 | 3·07 | 2·16 | ·63 | 2·79 | 5·97 | 43·96 | 13 Jan. |
| 1·43 | ·44 | 1·87 | 2·03 | ·68 | 2·71 | 4·98 | 40·52 | 14 Apl. |
| 1·43 | ·49 | 1·91 | 2·64 | ·87 | 3·51 | 5·76 | 41·82 | 10 July. |
| 1·38 | ·49 | 1·87 | 2·86 | ·91 | 3·77 | 5·79 | 41·94 | 13 Oct. |
| | | | | | | | | **'54.** |
| 1·27 | ·45 | 1·72 | 2·61 | ·77 | 3·38 | 5·83 | 39·00 | 12 Jan. |
| ·86 | ·28 | 1·14 | 1·61 | ·63 | 2·24 | 7·05 | 40·56 | 13 Apl. |
| ·76 | ·26 | 1·02 | 1·59 | ·50 | 2·09 | 5·60 | 37·90 | 13 July. |
| ·84 | ·24 | 1·08 | 1·71 | ·58 | 2·29 | 5·58 | 38·30 | 12 Oct. |
| | | | | | | | | **'55.** |
| 1·04 | ·26 | 1·30 | 2·17 | ·65 | 2·83 | 6·91 | 39·90 | 11 Jan. |
| 1·12 | ·32 | 1·44 | 2·32 | ·81 | 3·12 | 5·63 | 40·62 | 12 Apl. |
| 1·47 | ·36 | 1·83 | 2·81 | ·91 | 3·72 | 6·95 | 40·56 | 13 July. |
| 1·82 | ·41 | 2·23 | 3·13 | 1·05 | 4·18 | 7·20 | 42·46 | Oct. |
| | | | | | | | | **'56.** |
| 1·63 | ·27 | 1·90 | 1·36 | ·44 | 1·80 | 7 07 | 36·82 | 10 Jan. |
| 3·20 | ·28 | 3·48 | 1·40 | ·45 | 1·85 | 7·01 | 38·46 | 13 Mch. |
| 4·16 | ·43 | 4·59 | 1·82 | ·71 | 2·53 | 6·91 | 42·36 | 10 July. |
| 3·14 | ·47 | 3·61 | 1·53 | ·65 | 2·18 | 7·01 | 39·94 | 11 Sept. |
| 3·04 | ·48 | 3·52 | 1·52 | ·70 | 2·22 | 7·08 | 40·28 | 9 Oct. |
| 1·06 | ·43 | 1·49 | ·71 | ·32 | 1·03 | 6·92 | 38·00 | 11 Dec. |
| | | | | | | | | **'57.** |
| ·98 | ·26 | 1·24 | ·66 | ·27 | ·93 | 6·91 | 39·53 | 8 Jan. |

In other words, the four figures at the *unit* end are omitted. The several lines are not *averages* of any particular
The nine Departmental Banks were incorporated with the Bank of France between March and May, 1848; and

# APPENDIX XVII.

FRANCE. — VALUE OF THE IMPORTS AND EXPORTS DURING THE ELEVEN YEARS 1845–55, DISTINGUISHING THE PRINCIPAL COUNTRIES WITH WHICH THE EXTERNAL TRADE OF FRANCE WAS CARRIED ON.

IN the Table (A.) which follows, I have compiled from the French Custom House Returns an abstract statement of the External Trade of France during the Ten Years 1845—1854; distinguishing the principal countries; and in the comments which follow the Table I have sought to draw attention to the remarkable fact, that during the Eight Years 1848–55, the Balance of Payments in favour of France has amounted to the large sum of 76 Millions sterling — three-fourths of which has arisen in the trade with England and the United States.

The Table is as follows: —

(A.) I. — IMPORTS INTO FRANCE.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| Imported into France, FROM | 1845. | '46. | '47. | '48. | '49. | '50. | '51. | '52. | '53. | '54. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| England - | 3·4 | 3·2 | 2·9 | 1·1 | 2·4 | 2·8 | 2·7 | 3·5 | 3·7 | 5·3 |
| United States | 5·6 | 5·6 | 5·1 | 4·0 | 5·9 | 4·9 | 4·9 | 3·9 | 6·3 | 7·7 |
| Belgium - | 4·7 | 4·1 | 4·4 | 2·6 | 3·6 | 4·2 | 4·0 | 4·9 | 5·6 | 5·3 |
| Sardinia - | 2·7 | 4·3 | 3·2 | 1·9 | 3·1 | 2·9 | 3·1 | 3·9 | 4·1 | 4·1 |
| Spain - - | 1·3 | 1·4 | 1·4 | ·8 | 1·1 | 1·4 | 1·2 | 1·3 | 1·7 | 2·1 |
| Algeria - - | ·1 | ·1 | ·1 | ·1 | ·3 | ·2 | ·6 | ·7 | 1·0 | 1·3 |
| Switzerland - | 1·1 | 1·2 | 1·2 | ·6 | ·9 | 1·0 | 1·0 | 1·2 | 1·5 | 1·4 |
| Zollverein - | 1·9 | 1·9 | 2·0 | ·9 | 1·2 | 1·3 | 1·3 | 1·7 | 2·3 | 2·3 |
| Turkey - - | 1·3 | 1·6 | 2·9 | ·9 | 1·3 | 1·7 | 1·6 | 1·8 | 2·0 | 1·7 |
| Russia - - | 1·4 | 2·1 | 4·3 | 1·8 | 1·2 | 1·0 | ·7 | 1·2 | 2·7 | 1·8 |
| | 23·6 | 25·5 | 27·5 | 14·7 | 21·1 | 21·5 | 21·2 | 24·2 | 31·0 | 33·0 |
| 46 Other Countries & Places | 10·6 | 11·3 | 11·5 | 7·6 | 10·1 | 9·7 | 8·2 | 15·2 | 13·1 | 13·3 |
| | 34·2 | 36·8 | 39·0 | 22·3 | 31·2 | 31·2 | 29·4 | 39·4 | 44·1 | 46·3 |

## II.—EXPORTS FROM FRANCE.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| Exported from France, to | 1845. | '46. | '47. | '48. | '49. | '50. | '51. | '52. | '53. | '54. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| England - | 4·4 | 4·5 | 5·1 | 7·6 | 8·0 | 9·0 | 11·1 | 10·0 | 12·7 | 11·2 |
| United States | 3·9 | 4·0 | 5·3 | 4·7 | 5·9 | 7·1 | 5·4 | 6·5 | 8·7 | 7·3 |
| Belgium - | 2·3 | 1·9 | 2·4 | 2·6 | 3·4 | 4·0 | 5·0 | 4·9 | 4·9 | 5·0 |
| Sardinia - | 1·8 | 2·0 | 1·9 | 1·9 | 2·1 | 2·3 | 2·6 | 2·9 | 2·7 | 2·1 |
| Spain - - | 2·7 | 2·9 | 2·8 | 2·5 | 2·8 | 2·8 | 2·5 | 2·6 | 2·8 | 2·7 |
| Algeria - - | 3·6 | 3·8 | 3·3 | 2·9 | 3·1 | 3·0 | 3·8 | 4·1 | 4·7 | 4·7 |
| Switzerland - | 2·0 | 1·9 | 1·7 | 2·0 | 2·1 | 2·2 | 2·4 | 2·3 | 2·1 | 2·0 |
| Zollverein - | 2·4 | 2·5 | 2·2 | 1·4 | 1·7 | 1·9 | 1·9 | 1·7 | 1·8 | 1·9 |
| Turkey - - | ·6 | ·5 | ·6 | ·5 | ·7 | ·9 | ·9 | ·8 | ·9 | 1·0 |
| Russia - - | ·5 | ·6 | ·7 | ·6 | ·8 | ·7 | ·6 | ·6 | ·4 | – |
| | 24·3 | 24·7 | 26·1 | 26·7 | 30·6 | 34·1 | 36·2 | 36·4 | 41·7 | 37·9 |
| 46 Other Countries & Places | 9·6 | 9·4 | 9·5 | 6·6 | 10·7 | 10·8 | 14·4 | 12·9 | 12·8 | 12·5 |
| | 33·9 | 34·1 | 35·6 | 33·3 | 41·3 | 44·9 | 50·6 | 49·3 | 54·5 | 50·4 |

FRANCE. — *SUMMARY of the STERLING OFFICIAL VALUE of EXPORTS and IMPORTS*, 1845–55.

| Year. | Imports. | Exports. | *Excess* of Imports. | *Excess* of Exports. |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| 1845 | 34·2 | 33·9 | 0·3 | – |
| '46 | 36·8 | 34·1 | 2·7 | – |
| '47 | 39·0 | 35·6 | 3·4 | – |
| '48 | 22·3 | 33·3 | – | 11·0 |
| '49 | 31·2 | 41·3 | – | 10·1 |
| 1850 | 31·2 | 44·9 | – | 13·7 |
| '51 | 29·4 | 50·6 | – | 21·2 |
| '52 | 39·4 | 49·3 | – | 9·9 |
| '53 | 44·1 | 54·5 | – | 10·4 |
| | 34·2 | 42·0 | 6·4 | 76·3 |
| | | | 69·9 | |

NOTE.—The five figures at the *unit* end of the several amounts are omitted. Thus, 4·4 represents 4,400,000*l.*, and ·6 represents 600,000*l.* In effect, the Table is expressed in Millions (sterling) and Tenths.

Of the Excess of 69,900,000*l.* shown by these figures, a very considerable part is accounted for by the alteration in the character of the trade between France and England and France and the United States, subsequent to 1847.

| During | *From or To* | *Total Impts.* £ | *Total Expts.* £ | *Excess of* Impts. £ | Expts. £ |
|---|---|---|---|---|---|
| Three years, 1845–46–47. | England - | 9·5 | 14·0 | – | 4·5 |
| | United States | 16·3 | 13·2 | 3·1 | – |
| | | 25·8 | 27·2 | – | 1·4 |
| Six years, 1848–53, (both incl.) | England - | 16·2 | 58·4 | – | 42·3 |
| | United States | 29·9 | 38·3 | – | 8·4 |
| | | 46·1 | 96·7 | – | 50·6 |

In 1854, it appears that the excess of Exports over Imports, as regards France, was only 4,000,000*l.* instead of 10,000,000*l.*, as in 1853. In 1854 the *Imports* were 2 Millions more (viz. 46·4 millions sterling), and the Exports 4 Millions less (viz. 50·4 millions), than in 1853.

In 1855 the Value of the *Imports* is given as 54½ Millions sterling, and the Value of the Exports at 57½ Millions sterling —showing, therefore, a still further reduction to 3 Millions of the Balance in favour of France.

In 1854 and 1855, it would appear, therefore, that the Balance of Payments in favour of France was about 7 Millions sterling; but that sum added to the 70 Millions appearing for the six years 1848–53, will raise the favourable balance of the eight years, 1848–55, to 76 *Millions sterling.*

In the official documents of the French Custom House, the Imports and Exports are distinguished into two divisions called Commerce Général and Commerce Spécial. The Commerce Spécial embraces, as regards *Importation,* all commodities arriving from French Colonies; or from Foreign Countries, and entered at the Custom House for "Home Consumption" in France. The Commerce *Général,* in addition to these commodities, embraces all commodities, of whatever origin, which are either consumed in France, or merely pass through France in the way of Transit or re-Exportation. The distinction between the Spécial and Général Commerce of *Exportation* is founded on the same principle. Exported

Commodities, the produce of France, constitute the Commerce Spécial; and Exported Commodities of whatever origin, the Commerce Général.

In the preceding Tables the Commerce *Spécial* is of course only included.

The Official Values given in the Tables were settled in 1825 and 1826, and have been, for the sake of uniformity, preserved since. It was one of the earliest measures of the Provisional Government of 1848, to nominate a Commission charged to revise the Scale of Official Values of 1825, and to frame a Scale of Actual Values, or, according to the English phrase, of "Real Values." This Commission was composed of very competent persons, and pursued its labours with great activity and success, until they were completed in the August (1848) following the date of nomination; and referring, as the labours of this Commission did, wholly to questions of Price, it will not be out of place here to indicate briefly the results at which the Commission arrived.

As a general result, the Values adopted in 1848 were, as regards *Imports*, 2 per cent. *below* those of 1825; and as regards *Exports* (Commerce Spécial), 19 per cent. below those of 1825. In 1825 the Values of *Imports* were fixed according to the price at the (foreign) place of production, — in other words, according to the Invoice price. In 1848 the Value was fixed according to the price at the (French) port of Entry,—in other words, according to the Price Current of the French Importing Merchant. In 1825 the Values of *Exports* (Commerce Spécial) were fixed according to the price at the (French) place of production; — in 1848, according to the price at the (French) port of shipment. The Commission points out that more than $\frac{9}{10}$ths of the *Imports* into France are either Raw Materials or vegetable or animal objects of consumption (objets de consommation naturels), and that $\frac{8}{10}$ths of the *Exports* are manufactured fabrics: and they also particularly advert to the fact, rendered certain by their labours, that while, during the twenty-three years, from 1825 to 1848, the price of raw materials imported into France had fallen but little, the price of the manufactured fabrics exported from France had fallen, in general terms, 20 per cent.

The Commission give the following Tabular Summary of their Revision: —

Revision of Scale of Values in France in 1848.—*Number of Articles of Import and Export, the Value of which, as fixed in* 1825, *was, in* 1848 (*as for the Accounts of* 1847), *either Raised, Maintained, or Lowered.*

| | Raised. No. | Maintd. No. | Lowrd. No. |
|---|---|---|---|
| Imports (162 in No.) | | | |
| Objets de Consommation Naturels - | 5 | 3 | 14 |
| Matières nècessaires à l'industrie - | 31 | 17 | 34 |
| Objets de Consommation fabriqués - | 8 | 7 | 43 |
| No. | 44 | 27 | 91 |
| Exports (225 in No.) | | | |
| Produits Naturels - - - | 23 | 13 | 39 |
| Objets Manufacturés - - - | 15 | 39 | 96 |
| No. | 38 | 52 | 135 |

The legislative measures which grew out of the Revision of 1848 provide for the maintenance of a distinct calculation of the Imports and Exports of each year, according to the Official Scale of 1825; and also for the formation for each year of a Table of *Actual or Real* Values, according to the actual prices of each year. For the purposes of the preceding Tables the *Official* Values afford results free from any material defect, commencing as the Tables do in 1845, or at a period considerably anterior to the introduction into practice of the amended Code of Real Values.

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# APPENDIX XVIII.

FRANCE. — REVENUE AND EXPENDITURE OF EACH YEAR OF THE NINE YEARS 1847–55, DISTINGUISHING THE STATEMENT INTO GENERAL CLASSES.

THE following Statement will show the progress of the Revenue and Expenditure for each year since 1847, collecting the items into convenient classes.

The involved and fluctuating form in which the French Revenue is rendered, surrounds with extreme difficulty any attempt to reduce the results into a simple and uniform shape. It is the practice in France to "fix," as it is called, the Budget of Receipts and Expenses a considerable time *before* the commencement of the year to which the scheme is to apply. In every case it is found that the scheme thus settled requires constant and large modifications, and these are accomplished by what are called "Supplementary Credits." The confusion arising from these original and supplementary miscalculations is further increased by the mixing up in the ordinary returns all the extra and special heads of income and expenditure; all the special income, for example, arising from the deposits paid by Railway Companies as guarantees for the performance of the conditions of their concessions, and all the special expenditure by the state for Railways and other permanent works.

The consequence of this system is, that the account of each year, both as regards Receipts and Payments, is not finally closed and adjusted till the lapse of a very considerable period after the end of the given year. Thus the Budget of 1851 was first "fixed" by a law of the 7th August, 1850; but it was not finally closed till the 8th of May, 1854 — or two years and a half subsequent to the close of 1851. I have taken great pains to arrive at accurate and clear results by a careful use of the available materials; and substantially I believe that the annexed statement represents the facts.

The large amounts appearing in some of the years under

the head of "Extraordinary Resources" seem to be mostly derived from the deposits of Railway Companies and the Sales of Government Forests.

In 1854 and 1855 the sums received under the Loans for 65 millions of those years, do not appear in the accounts; nor is the expenditure for the War introduced.

Of the 16 Millions sterling derived from the Direct Contributions, about 12½ Millions is obtained from the Contribution Foncière; and the remaining 3½ Millions from the Contribution Personnelle et Mobilière,—from the tax on Portes et Fenêtres,—and from the tax on Patentes.

As regards the Customs Duties on *Imports*, nearly the whole amount is derived from taxes on *Raw Materials* of Manufacture.

The General Summary of the Tables opposite (pages 659–60.) will be as follows:—

FRANCE. — *INCOME and EXPENDITURE.*

| Years. | Income. Mlns. £ | Expend. Mlns. £ | *Deficit.* Mlns. £ |
|---|---|---|---|
| 1847 | 54·90 | 65·19 | 10·29 |
| 1848 | 70·72 | 70·86 | 0·14 |
| '49 | 57·27 | 65·77 | 8·50 |
| '50 | 57·26 | 58·93 | 1·67 |
| '51 | 54·42 | 58·47 | 4·05 |
| 1852 | 59·67 | 59·67 | — |
| '53 | 51·56 | 62·05 | 10·49 |
| '54 | 52·43 | 60·66 | 8·23 |
| '55 | 56·37 | 62·46 | 6·09 |
| | | | 49·46 |

If the "Extraordinary Resources" could be fully analysed, it is highly probable that the Deficit would be much more than even 50 Millions sterling.

## (I.) FRANCE.—*INCOME* — *NINE YEARS*, 1847–55.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| INCOME. | 1855. | '54 | '53. | '52. | '51. | '50. | '49. | '48. | '47. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| (I.) | | | | | | | | | |
| Customs : Imports - | 7·60 | 6·04 | 5·68 | 5·60 | 4·68 | 4·99 | 5·11 | 3·59 | 5·46 |
| „ Exports - | ·05 | ·06 | ·07 | ·08 | ·12 | ·11 | ·09 | ·10 | ·08 |
| | 7·65 | 6·10 | 5·75 | 5·69 | 4·80 | 5·10 | 5·20 | 3·69 | 5·54 |
| (II.) | | | | | | | | | |
| Excise : Liquors - - | 4·59 | 4·25 | 4·56 | 4·41 | 4·01 | 3·97 | 3·69 | 3·55 | 4·03 |
| „ Tobacco - | 6·10 | 5·80 | 5·51 | 5·23 | 5·05 | 4·88 | 4·68 | 4·65 | 4·71 |
| „ Salt - - - | 1·40 | 1·32 | 1·36 | 1·26 | 1·05 | 1·02 | 1·24 | 2·53 | 2·81 |
| „ Sugar - - | 1·11 | 1·23 | 1·39 | 1·24 | 1·30 | 1·22 | ·94 | ·91 | ·91 |
| | 13·20 | 12·60 | 12·82 | 12·14 | 11·41 | 11·09 | 10·55 | 11·64 | 12·46 |
| (III.) | | | | | | | | | |
| Post Office - - - | 1·96 | 1·99 | 1·83 | 1·74 | 1·58 | 1·54 | 1·46 | 1·98 | 1·98 |
| Sundries - - - - | 2·48 | 2·06 | 2·10 | 2·42 | 3·02 | 2·23 | 2·05 | 1·78 | 2·23 |
| | 4·44 | 4·05 | 3·93 | 4·16 | 4·60 | 3·77 | 3·51 | 3·76 | 4·21 |
| (IV.) | | | | | | | | | |
| Stamps : Enregîstrmt. | 10·67 | 9·18 | 9·46 | 8·52 | 7·74 | 7·97 | 7·37 | 6·75 | 8·92 |
| „ Timbre - - | 2·05 | 1·94 | 1·85 | 1·65 | 1·65 | 1·59 | 1·31 | 1·23 | 1·66 |
| | 12·72 | 11·12 | 11·31 | 10·17 | 9·39 | 9·56 | 8·68 | 7·98 | 10·58 |
| *Total Indirect Taxes* | 38·01 | 33·87 | 33·81 | 32·16 | 30·20 | 29·52 | 27·94 | 27·07 | 32·79 |
| (V.) | | | | | | | | | |
| Contns. Directes - - | 16·84 | 16·75 | 16·55 | 16·55 | 16·49 | 17·31 | 17·70 | 17·29 | 16·93 |
| | 54·85 | 50 62 | 50·36 | 48·71 | 46·69 | 46·83 | 45·64 | 44·36 | 49·72 |
| (VI.) | | | | | | | | | |
| Resources Extraordinaires - - - - | 1·52 | 1·81 | 1·20 | 10·96 | 7·73 | 10·43 | 11·63 | 26·36 | 5·18 |
| | 56·37 | 52·43 | 51·56 | 59·67 | 54·42 | 57·26 | 57·27 | 70·72 | 54·90 |
| *Deficit* - - | 6·09 | 8·23 | 10·49 | – | 4·05 | 1·67 | 8·50 | ·14 | 10·29 |
| TOTALS - - - | 62·46 | 60·66 | 62·05 | 59·67 | 58·47 | 58·93 | 65·77 | 70·86 | 65·19 |

(II.) France.—*Expenditure*—*Nine Years*, 1847–55.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| Expenditure. | 1855. | '54. | '53. | '52. | '51. | '50. | '49. | '48. | 1847. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| (I.) | | | | | | | | | |
| Debt | 16·73 | 15·86 | 14·89 | 15·95 | 15·43 | 15·48 | 18·19 | 16·44 | 15·38 |
| Civil List | 1·49 | 1·46 | ·69 | ·64 | ·33 | ·44 | ·37 | ·37 | ·59 |
| | 18·22 | 17·32 | 15·58 | 16·59 | 15·76 | 15·92 | 18·56 | 16·81 | 15·97 |
| (II.) | | | | | | | | | |
| War | 12·63 | 12·30 | 12·97 | 13·19 | 12·67 | 13·08 | 14·99 | 16·84 | 14·91 |
| Marine | 5·10 | 4·75 | 4·78 | 3·36 | 3·29 | 3·40 | 3·92 | 4·98 | 5·17 |
| Public Works | 5·59 | 6·08 | 7·50 | 4·81 | 5·20 | 5·94 | 6·69 | 8·67 | 8·14 |
| Ministries | 10·87 | 10·69 | 11·82 | 12·05 | 11·85 | 10·24 | 11·14 | 12·07 | 10·49 |
| | 34·19 | 33·82 | 37·07 | 33·41 | 33·01 | 32·66 | 36·74 | 42·56 | 38·71 |
| (III.) | | | | | | | | | |
| Collection | 6·35 | 6·08 | 6·04 | 5·95 | 5·96 | 5·86 | 5·79 | 6·25 | 6·17 |
| Reimbursements, &c. | 3·70 | 3·44 | 3·36 | 3·72 | 3·74 | 4·49 | 4·68 | 5·24 | 4·34 |
| | 10·05 | 9·52 | 9·40 | 9·67 | 9·70 | 10·35 | 10·47 | 11·49 | 10·51 |
| Totals | 62·46 | 60·66 | 62·05 | 59·67 | 58·47 | 58·93 | 65·77 | 70·86 | 65·19 |

Note.—The several Years all terminate on 31st Dec.

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# APPENDIX XIX.

THE THREE LOANS RAISED IN FRANCE IN 1854 AND 1855 (AMOUNTING, TOGETHER, TO 60 MILLIONS STERLING IN MONEY), FOR THE PURPOSES OF THE RUSSIAN WAR.—NATURE AND EXTENT OF THE INDUCEMENTS HELD OUT TO SUBSCRIBERS.

IT has been the custom recently to refer to the three Loans raised in France in 1854 and '55, for a total sum of 60 Millions sterling, as displaying extraordinary examples of financial sagacity and success; and it is pointed out that, while no more than 60 Millions was required, the applications amounted to more than fourfold that sum.

The plan adopted was to cast aside the ordinary method of contracting with one or two persons, and to proclaim the terms on which the Government was willing to allot portions of the Loan to all applicants.

It will appear from the Table and details contained in this Appendix, that in each of the three Loans, the French Government had to adopt such terms as gave an immediate profit of at least 5 per cent. to the subscribers; that they held out very large inducements to persons possessed of no more than a few pounds to become subscribers; and that the instalments were spread over long periods of from fifteen months to a year and a half. Considering the almost certain prospect of immediate gain, the wonder is, not that the applications were numerous, but that they were not perfectly unmanageable. A parallel case in this country was witnessed in 1845, when the applications for any Railway scrip that bore a premium were ten and twenty-fold the quantity that could be issued.

The great mass of each of the Loans was applied for and raised in 3 per Cent. Stock, notwithstanding that for 4½ per Cent. subscriptions the Government offered a rate of interest *higher* by a quarter per cent.

I have a very confident impression that each of the three

Loans would have been obtained on far more favourable terms by the method of Select Contract; and for the extreme methods adopted to foster among the humbler classes a taste for stock-jobbing speculations, in order to stimulate a crowd of small subscriptions, there can be no justification, and there was, at the time, no adequate excuse.

The following are the details: —

*Three French Loans*, 1854 *and* 1855.

| Particulars. | First. (March, '54.) | Second. (January, '55.) | Third. (July, '55.) |
|---|---|---|---|
| (I.) | | | |
| Amount of Money required - | £10,000,000 | £20,000,000 | £30,000,000 |
| (II.) | | | |
| Loan announced - - | 11th Mar. '54 | 31st Dec. '54 | 14th July, '55 |
| Subscription opened - - | 14th „ „ | 3rd Jan. '55 | 18th „ „ |
| „ closed - - | 25th „ „ | 14th „ „ | 29th „ „ |
| (III.) | | | |
| Nominal terms offered by Government: | *fr. c.* | *fr. c.* | *fr. c.* |
| 100 frs. of Stock, 3 per Cents. for | 65 25 money | 65 25 money | 65 25 money |
| „ „ 4½ „ „ | 92 50 „ | 92 00 „ | 92 25 „ |
| Deductions to be made for Benefit of Arrear Dividends: | *fr. c.* | *fr. c.* | *fr. c.* |
| In the 3 per Cents. - - | 2 50 | 2 08 | 1 98 |
| „ 4½ „ | 2 70 | 2 93 | 2 79 |
| The *net* terms yielded to the Subscribers an annual interest of per Cent, in 3 *per Cents.* of - | £4 15 7 | £4 15 0 | £4 14 10 |
| 4½ „ | 5 0 3 | 5 1 6 | 5 0 7 |
| (IV.) | | | |
| Price of Rentes in Market during the Subscriptions, viz.: | *fr. c.* *fr. c.* | *fr. c.* *fr. c.* | *fr. c.* *fr. c.* |
| 3 per Cents. - - - | 66 80 @ 63 90 | 65 25 @ 68 10 | 65 90 @ 66 80 |
| 4½ „ - - - | 93 00 . 90 25 | 91 10 . 92 50 | 93 60 . 92 00 |

| Particulars. | First. (March, '54.) | Second. (January, '55.) | Third. (July, '55.) |
|---|---|---|---|
| (v.) | | | |
| Sums applied for, viz.: | | | |
| From Paris and Foreign Countries - - - | £8,600,000 | £56,000,000 | £101,000,000 |
| „ the Departments - | 10,200,000 | 31,000,000 | 45,000,000 |
| | 18,800,000 | 87,000,000 | 146,000,000 |
| Sums demanded: | | | |
| in 3 per Cents. - - - | 12,300,000 | 72,000,000 | not given. |
| 4½ „ - - | 6,400,000 | 15,000,000 | „ |
| | 18,700,000 | 87,000,000 | 146,000,000 |
| (vi.) | | | |
| Number of applicants, viz.: | | | |
| Paris and Foreign Countries - - - - | 26,000 | 51,000 | 80,000 |
| Departments - - - | 72,000 | 126,000 | 237,000 |
| | 98,000 | 177,000 | 317,000 |
| (vii.) | | | |
| Prices shortly after Close of Subscriptions: | *fr. c.* | *fr. c.* | *fr. c.* |
| 3 per Cents. - - - | 61 50 3d Ap. '54 | 69 80 18 Jan. '55 | 67 50 5th Aug. |
| 4½ „ - - - | 88 00 „ | 96 25 „ | 95 25 „ |

In the first Loan of 10 Millions, in March, 1854, negotiated upon the basis of the reports of M. Bineau, the benefit of the Arrear Dividends, to be presently explained, was calculated by the Government at 2 f. 50 c. in the 3 per Cents., and 2 f. 70 c. in the 4½ per Cents. The official statement of immediate

profit to the subscribers, which the Minister reckoned by comparison with the Market Price of the Funds on the day preceding the announcement of the Loan, was as follows: —

| | | | |
|---|---|---|---|
| 3 per Cents. - - | 65·25 | 4½ per Cents. - - | 92·50 |
| Deduct - - | 2·50 | Deduct - - | 2·70 |
| *Leaves* - - | 62 75 | *Leavcs* - - | 89·80 |
| Price, 11 March, '54 - | 66·40 | Price, 11 March, '54 - | 93·45 |
| *Gain* - - | 3·65 | *Gain* - - | 3·65 |

The Subscriptions were payable 10 per cent. on allotment, and the remaining 90 per cent. in *fifteen* equal monthly instal ments, commencing 7th May, 1854, and terminating 7th July, 1855, inclusive.

The monthly Instalments thus falling due at future dates were to bear dividend on the whole amount, irrespective of such arrears of payment, from 22nd March, 1854, as respects the 4½ per cents.; and from 22nd December, 1853, as respects the 3 per cents. The Minister calculated this to be equivalent to a reduction of 2 f. 70 c. in the case of the higher denomination of stock, and of 2 f. 50 c. in that of the lower. And to this differential advantage was added, as has been shown, the profit upon the terms of the loan as compared with the actual market prices, at the time, of the 4½ and 3 per cents. Discount at 4 per cent. was allowed for prompt payment of the instalments.

In the second Loan, that of 20 Millions in January, '55, the conditions prescribed that 10 per cent. of each subscription should be paid on allotment, and the remaining 90 per cent. by *eighteen* equal monthly payments, at 5 per cent. each; the last payment falling due in August, 1856.

The subscriptions carried dividend on their *whole* amount as if paid up in full, from 22nd September, '54, as regards the 4½ per cents.; and from 22nd December, '54, as regards the 3 per cents.; or, as explained by M. Baroche's project of 31st December, '54, "c'est-à-dire qu'à compter de ces deux époques les "souscripteurs toucheront la totalité des intérêts de leur capital "quoiqu'ils n'en aient encore payé qu'une partie." In addition to these arrears of Dividend, there was allowed a Discount of 4 per cent. to those subscribers who paid their instalments in advance.

The Minister reckoned that the value of the benefits arising from the arrear dividends just described, was equal, in the case of the 4½ per Cents., to 2 f. 93 c.; and in the case of the 3 per Cents., to 2 f. 08 c. The terms of subscription were fixed at—

| | | | |
|---|---|---|---|
| 3 per Cents. | - - | 65·25 | |
| Deduct | - - | 2·08 | |
| *Leaves* | - - | 63·17 | |
| Price, 30 Dec. '54 | - | 66·60 | |
| *Gain* | - - | 3·43 | |

| | | | |
|---|---|---|---|
| 4 per Cents. | - - | 92·00 | |
| Deduct | - - | 2·93 | |
| *Leaves* | - - | 89·07 | |
| Price, 30 Dec. '54 | - | 92·50 | |
| *Gain* | - - | 3·43 | |

showing, therefore, an immediate gain on the market price of the day preceding the date of announcement, of 3 f. 43 c. upon a payment, in money, of 65 f. 25 c. in the 3 per Cents. or more than 5 per cent. upon an investment of 100 francs, in money, in an allotment of 153 f. 25 c. of the Loan at its issue price to subscribers.

As in the first Loan of March, 1854, it was again provided that applications, not exceeding 50 francs *Rente* each (that is, for a capital not exceeding in 3 per cents., say 43*l.* 10*s.* *in money*, as representing the payment even in full for 66*l.* 13*s.* 4*d.* *stock* issued at rate of 65·25), should not be reduced in the process of the allotment, but should carry off the full sum they applied for. And it is to be borne in mind, that, as the first payment was only 10 per cent. of the allotment, a sum in actual money of little more than 4*l.* sterling would enable a person to carry off one of the 50 fr. *Rente* allotments; and, if sold in the market at no more than the 5 per cent. premium proclaimed by the Minister, the immediate gain would be 4*s.*, or equal to about 1½ days' wages.

But, beyond the guarantee against any reduction of the 50 fr. Rente applications, it was provided in this Second Loan of January, 1855, that applications not exceeding 500 fr. *Rente* (involving an immediate payment for the first instalment of say, 43*l.* 10*s.*, and an immediate gain in the market of, say, 43*s.* 6*d.*) should not be reduced in the process of allotment, except in a small proportion.

In all the three Loans the minimum sum which could be subscribed for was fixed at 10 fr. of *Rente*, or at an amount

which involved only for the first deposit a payment of, say, 16*s*.

In the case of the Third Loan of July, 1855, in pursuance of the report of M. Magne, the Minister of Finance, the nominal terms were fixed at 65·25 in the 3 per Cents., and 92·25 in the 4½ per Cents., but subject to reductions for the Dividends to be paid *in full* to the subscribers from 22nd June, '55, for the 3 per Cents, and from 22nd March, '55, for the 4½ per Cents. The value of these Arrear Dividends was calculated by M. Magne to be 1 f. 98 c. in the 3 per Cents., and 2 f. 79 c. in the 4½ per Cents.

Taking the actual market prices on the day of the announcement (14th July, '55), the official statement of the benefit offered to the subscribers was as follows:—

| | | | |
|---|---|---|---|
| 3 per Cents. | 65·25 | 4½ per Cents. | 92·25 |
| Deduct | 1·98 | Deduct | 2·79 |
| *Leaves* | 63·27 | *Leaves* | 89·46 |
| Price, 14 July, '55 | 65·90 | Price, 14 July, '55 | 92·75 |
| *Gain* | 2·63 | *Gain* | 3·29 |

As in the former Loans, all subscriptions for 50 fr. *Rente* and under were to be accorded to the applicants in full.

A discount of 4 per cent. was allowed on prompt payments of the instalments.

The first payment was 10 per cent. on allotment, and the remaining 90 per cent. in *eighteen* monthly instalments, commencing 7th September, '55, and terminating 7th February, 1856.

It appears by the second report, stating the result of the Loan, that the Government took advantage of the excess of applications to extend the Loan from 30 Millions to 31¼ Millions; the 1¼ Millions, said the report, "being destined to "facilitate the liquidation of the subscriptions and to cover "the discount."

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# APPENDIX XX.

## Gregory King's Estimate of the Quantity of Silver and Gold existing in various Forms in 1688.

The very interesting and curious Paper included in this Appendix, forms part of the sixth chapter of the "National and Political Observations and Conclusions" published by Gregory King in 1696.

This remarkable tract was first reprinted by Mr. Chalmers in the edition of his "Estimate" which appeared in 1801, and was there introduced by a short memoir of King. In that memoir Mr. Chalmers refers, in terms of befitting eulogy, to the genius and modesty of King; and to the admirable qualities which raised him from the condition of a poor boy to be one of the Chiefs of the Herald's College. He also refers to the unfair use made by Davenant of King's researches; and to the neglect with which King's extraordinary merits as a political statist were treated.

The following Estimate is exceedingly remarkable; and is entitled to considerable attention, as conveying the views of perhaps the most competent observer of the time (1688) to which it refers.

It may be compared with Mr. Jacob's Conclusions, as I have reduced them into a tabular form in a preceding Appendix (App. II. vi. 367–8.).

In reprinting the Estimate in this Appendix I have introduced a few dates and titles in various places where they appeared to be essential to clearness.

"*A Calculation of the Quantity of Silver and Gold in England France, and Holland, in Europe, and in the World in general, and of the Increase and Consumption thereof, Anno* 1688.

"This Calculation is built upon this hypothesis:—

"(1.) That the Silver and Gold in Europe at the discovery of the West Indies, near 200 years ago, was but 45 Millions sterling, but is now about five times as much, or 225 Millions.

"(2.) That there have been 520 Millions of Silver and Gold imported into Europe from America within these last 180 years (or since 1508); besides what has been produced in Europe or imported into it from Asia and Africa.

"Whereby the Account of Europe stands thus:—

| | | | |
|---|---|---|---|
| The existing stock of Silver and Gold in Europe in 1508, that is, 180 years ago - - - - - | 45 | Millions | sterling. |
| Produced in Europe within these last 180 years - - - - - | 8 | „ | „ |
| Imported into Europe from Asia, in Manufactures - - - | 2 | „ | „ |
| Ditto from Africa, in Gold Dust, &c. | 15 | „ | „ |
| Ditto from America, in Specie - | 520 | „ | „ |
| In all - - - | 590 | „ | „ |

(II.)

"Whereof 545 Millions having been produced in Europe, or imported into it, within these last 180 years, viz.,—

in the first 80 years (1508–88), 205 Millions; — or 2,560,000*l.* per annum;

in the last 100 years (1588—1688), 340 Millions;—or 3,400,000*l.* per annum;

we may conclude that the existing stock of Silver and Gold in Europe,

| | | | |
|---|---|---|---|
| being 200 years ago (1488) - - | 45 | Millions, | |
| was 100 years ago (1588) - - | 100 | „ | |
| and is at present (1688) - - | 225 | „ | |

It has, therefore, increased—

| | | | | |
|---|---|---|---|---|
| in the first 80 years - | 55 | Millions; | — or | 700,000*l.* per ann. |
| in the last 100 years - | 125 | „ | | 1,250,000*l.* „ |
| | 180 | „ | | |

So in this last 100 years (1588—1688) Europe has

| | | | | |
|---|---|---|---|---|
| Produced and Imported | 340 Mlns., | or | £3,400,000 | per ann. |
| Increased - - - | 125 „ | or | 1,250,000 | „ |
| Consumed and Exported | 215 „ | or | 2,150,000 | „ |

(III.)

"Now before we come to the particulars how these 215 Millions, in Gold and Silver, have been consumed in Europe within this last 100 years, we shall consider in what the 225 Millions, which we estimate to be the present (1688) stock of Europe in Gold and Silver, *and things made thereof*, do consist, viz.:—

*Estimated Stock of Gold and Silver in Europe in* 1688.

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| Articles. | In Europe in general. | In England. | In France. | In Holland. |
| | Mlns. | £ | £ | £ |
| Coined *Silver* - - | 110 | 8,500,000 | 18,000,000 | 7,000,000 |
| Coined Gold - - | 28 | 3,000,000 | 5,000,000 | 2,000,000 |
| Bullion - - - | 8 | 1,000,000 | 1,500,000 | 1,500,000 |
| Lay Plate - - | 46 | 4,000,000 | 9,000,000 | 1,500,000 |
| Church Plate - - | 20 | 200,000 | 3,000,000 | 100,000 |
| Medals and Rarities - | 5 | 200,000 | 900,000 | 300,000 |
| Gold and Silver Thread and Wire, and Things made thereof in wear - | 6 | 400,000 | 1,400,000 | 100,000 |
| Ditto, in Stock for Trade - - - | 2 | 200,000 | 600,000 | 300,000 |
| | 225 | 17,500,000 | 39,400,000 | 12,800,000 |

(IV.)

"Whereupon we have estimated the *Consumption* of the 315 Millions of Gold and Silver, in Europe, within the last 100 years, which is 3,150,000*l. per Annum*, as followeth: —

*Average Annual* CONSUMPTION *of* GOLD *and* SILVER, *in Europe, during the* 100 *Years* 1588—1688.

| 1 | 2 | | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| DESCRIPTION. | PROPORTIONS per Annum. | | In Europe in general. | In England. | In France. | In Holland. |
| | | Mlns. | £ | £ | £ | £ |
| By the Wear of Silver Coin | A 1000th part of | 110 | 110,000 | 8,500 | 18,000 | 7,000 |
| By the Wear of Gold Coin | A 1000th " | 28 | 28,000 | 3,000 | 5,000 | 2,000 |
| By Waste in Coinage | A 2000th " | 2 | 10,000 | 1,250 | 2,500 | 800 |
| By Waste in Working of Plate | A 150th " | 3 | 20,000 | 1,600 | 4,000 | 700 |
| By the Wear of Wrought Plate | A 800th " | 66 | 82,000 | 4,000 | 12,000 | 1,600 |
| By the Wear of things made of Gold and Silver Thread or Wire | A 10th " | 6 | 600,000 | 60,000 | 180,000 | 20,000 |
| Leaf and Shell Gold and Silver | The whole of 50,000*l.* | | 50,000 | 6,000 | 20,000 | 3,000 |
| | | Mlns. | | | | |
| Lost in Casualties at Sea | A 70th part of | 2 | 30,000 | 7,000 | 10,000 | 10,000 |
| Lost by Fires, Inundations, &c. | A 4000th " | 200 | 5,000 | 1,000 | 2,000 | 500 |
| Liquid Gold and Silver | The half of 10,000*l.* | | 5,000 | 500 | 1,500 | 200 |
| | | Mlns. | | | | |
| Buried and lost, not known how | A 7000th part of | 140 | 20,000 | 2,000 | 5,000 | 500 |
| Exported out of Europe by Trade, &c. | - - - | | 1,190,000 | 240,000 | 160,000 | 300,000 |
| | In all £3,151,150 | | 2,150,000 | 334,850 | 420,000 | 346,300 |

"Whereby it appears, that the two principal articles, by which the Gold and Silver of Europe are consumed, are in things made of Gold and Silver thread or wire, and in Coin or Bullion exported in trade; these two articles alone being seven parts in eight of the whole consumption of the Gold and Silver of Europe.

(V.)

"As to the World in general, I compute the existing stock, 180 years ago, at 500 Millions.

"The produce this last 180 years, 1,200 Millions; the consumption 850 Millions.

"The increase, 350 Millions, which, added to the 500 Millions, make the present stock 850 Millions."

# APPENDIX XXI.

RATES OF EXCHANGE DURING THE SIX YEARS, 1851–56, BETWEEN LONDON AND PARIS, HAMBURGH, NEW YORK, CALCUTTA, HONG KONG, AND SYDNEY; — WITH STATEMENTS OF THE COMPARATIVE VALUE OF GOLD BULLION; — AND OF THE EXPORTS OF GOLD AND SILVER FROM LONDON TO THE EAST.

## I.

In the first of the Tables (A.) attached to this Appendix, I have collected the essential details necessary to trace, month by month, from January, 1851, to December, 1856, the Course of the Exchange between London and the three great commercial centres of Paris, Hamburgh, and New York; and, as resulting mainly from the course of the Exchange, those arbitrated values of Gold Bullion which determine the influx and efflux of the precious metals into and from the several countries concerned.

The second Table (B.) is, to some extent, subsidiary to, and explanatory of, the first (A.), but still contains several independent elements.

In continuation of Table (A.), there is inserted in Table (B.) the Premium on Gold at Paris, and the Price of Silver in London. But these columns are followed by statements of the Course of Exchange with Bengal; of the Exports of Gold and Silver to India and China; and of the Exchange with Hong Kong and Sydney.

The most important cols. of these Tables are probably cols. 3 and 4, 6 and 7, and 9 and 10 of Table (A.), which exhibit the Comparative Value of Gold, month by month, in London and Paris, London and Hamburgh, and London and New York.

Into the construction of the formulæ, by means of which the results contained in these cols. are determined, this is not the

place to enter. The treatises which discuss the problems connected with the Foreign Exchanges enter at length into these topics; and among the most recent and best of these treatises is Tate's Cambist.

Practically, however, the effect of the Course of Exchange, as regards the influx of Bullion into London, or the efflux of Bullion from London, is shown by the cols. in Table (A.), headed, "Against England," and "For England." And it may be considered, that wherever the figures in those cols. indicate a difference of 0·65 per cent. (say 13*s.* per cent.), either For or Against—that as long as such a margin is presented, the precious metals will be transmitted; — and further, that, under several combinations of circumstances, a difference of much less than 0·65 per cent. would enable some of the more extensive and systematic dealers in bullion, and operators on the Exchange, to obtain a profit by transferring Bullion from one country to another.

It appears, then, that with scarcely any interruption, the Exchange has been *Against* London, as concerns Paris, ever since October, 1852; that is to say, that Gold has been dearer in Paris than in London, and that, consequently, the tendency has been to send Gold from London to Paris. And, I may say here, that as the figures in Table (A.) represent the *average* rates of each month, they necessarily pass over a great many extreme variations of the Course.

Between London and Hamburgh, the arbitrated value of Gold has also been *Against* London, with but few intermissions, since October, 1852.

Between London and New York the result has been practically in *Favour* of England during the whole of the six years 1851–56.

The rationale, therefore, of the three sets of cols. in Table (A.) amounts to this, namely; — That while the Balance of Trade between England and the United States has drawn remittances of Gold from the United States to England; the balance of trade between England and the Continent has led to the transmission of Gold from England to Paris and Hamburgh. In other words, England has performed the functions of a middle party in distributing, by means of its Exports to the United States, and its Imports from the Continent, the New Gold of the Californian region.

## II.

The second col. in Table (B.) gives the Premium or Discount on Gold at Paris.

Until the Dutch Demonetisation of Gold in July, 1850, already referred to in former sections of these volumes (see v. pages 253–55, and vi. 80–1.), Gold, as compared with Silver, was undervalued by the French Mint regulations, and therefore constantly bore a premium in the Paris market; that is to say, 1000 frs. in Gold were worth about 1010 frs. in Silver; or the premium was said to be 10 per mille.

In 1851 the premium on Gold, at Paris, wholly disappeared; and the value of that metal, as compared with Silver, sunk to a Discount. It appears from Table (B.), that in the summer of 1851, the Discount on Gold was as much as 4½ per mille; in 1852 it was 5 per mille; in 1853 the two metals were at par; in 1854 Gold was again at a discount; in the latter part of 1855 it rose to 6 premium, chiefly in consequence of the artificial prices offered by the Bank of France; and during 1856 the premium has continued, principally from the operation of the same cause.

But in connection with col. 2. in Table (B.) must be carefully considered the Price of Silver in London, as given in col. 3. of the same Table; and also the exports of Silver from England to the East, as given in col. 6. of Table (B.).

At first sight it might appear, that the fall of Gold to a Discount in the Paris market, in 1851, was decisive of the occurrence of a positive depreciation of Gold as compared with Silver, as a consequence of the Californian supplies; but such an inference would be premature.

As a result of the Double Standard in France, the prices, both of Gold and Silver, are immediately affected in Paris by any cause which even temporarily disturbs the previous state of the demand for, or the supply of, either metal.

Now, in 1851 and 1852, it happened that, concurrently with an influx of Gold *into* France, there arose a demand for Silver in this country for purposes of remittance to India and China. The intensity and progress of that demand may be estimated with tolerable accuracy by the aid of col. 3. of Table (B), which gives the Price of Standard Silver in London, and by col. 6., which gives the Shipments of Silver from the United Kingdom

to the East. And in a separate Appendix (XXIII.) I have discussed, at some length, the causes connected with the demand for Silver for India and China.

The price of Standard Silver had been generally regarded as about 60*d.* per ounce Troy down to 1851. After 1851 it rose considerably above 60*d.* In the autumn of 1852 it was 61½*d.*, or, as it may be better expressed, 2½ *per cent.* above the former price of 60*d.* During the latter half of 1853 the price was 62*d.* per oz., or 3⅓ per cent. higher; and it will be found that, simultaneously with this rise in the price of Silver, the price of Gold fell in Paris in September, 1853, from *par* to 3 discount; and, as a general result, it will also be found that the variations in the price of Silver follow the variations in the shipments of Silver to the East.

There can be no question whatever but that this important rise of 2 to 3 per cent. in the Price of Silver in London, above the former almost stationary price of 60*d.* per ounce, has materially affected the whole of the Bullion operations between London and Paris.

A very curious illustration of this disturbance has occurred during the closing months of 1856.

During those months there has been presented at Paris the very singular phenomenon of Gold and Silver *both* bearing a premium. The premium of 4 to 5 per mille on Gold arose out of the artificial prices offered by the Bank of France for supplies of Gold. The premium of 30 per mille (or 3 per cent.) on Silver arose out of the price of 62½*d.* per ounce (say 4¼ per cent. above 60*d.*) borne by Silver in London.

It is quite true that the Silver Bullion, bought in Paris at 30 per mille premium, was paid for either in masses of ordinary French Silver Coins, or in Notes of the Bank of France convertible on demand into similar French Silver Coins; and at first sight it may appear absurd to say, that, as a matter of business, 1030 frs. in French Silver Coin were given for 1000 frs. in Silver Bullion.

But the fact was so; and was so for a very sufficient reason. The ordinary French Coins were deteriorated by wear and tear: the bullion was weighed in the scale to the nicety of a grain. If the 1030 frs. in French Coins had been melted they would not have produced more than 1000 frs. of Silver Bullion; and the 1000 frs. of Silver Bullion would have been

worth 1030 frs., if it had been sent to the Mint for Coinage; the 30 frs. representing seignorage, interest, and charges.

In exchange for French Five Franc Pieces quite new from the Mint, the 1000 frs. of Bullion (weight and quality being the same) would be worth no more than the 1000 frs.; in other words, the Bullion and the New Coin would be at Par: and hence it was, and is, that the new French Coins are collected and exported as rapidly as they appear; and hence, further, that the Imperial Government as has been seen in a former section (see VI. page 90. *antè*), considers itself aggrieved by what it calls the malpractices of the Bullion Dealers. But the Bullion Dealers are manifestly in no fault. They find a law in operation which very unwisely exposes the metallic currency to constant oscillations; and they very properly take advantage of that law to send the French Silver Coins to foreign markets, where they will sell for a higher price than in Paris.

It appears, then, as the result of an examination of the evidence afforded by cols. 2. and 3. of Table (B.);—

That neither the Price of Gold in Paris nor the Price of Silver in London, during the six years 1851–56, enables us to arrive at any positive conclusions with reference to the effect of the New Supplies of Gold upon the relative values of Gold and Silver. We find, in particular, that the rise in the price of Silver is manifestly connected with the large and extraordinary demand for Silver as an article of remittance to India and China in payment for Commodities.

At the close of this Appendix I insert, on the subject of the Paris Exchanges, two Notes, which have been obligingly furnished to me by persons actually engaged in dealing with Exchange operations, and possessing the best means of arriving at accurate practical conclusions.

## III.

The columns 4. and 5. of Table (B.) give the Rates of Exchange between London and Calcutta; and there are peculiarities connected with these Rates which require explanation.

The Remittances drawn yearly from India by the East India Company, as the cost of the Home Government of India, are generally stated at about 3¼ Millions sterling; and a further sum of about ½ a Million sterling p. ann. is supposed to be

drawn from India as the amount of the private fortunes accumulated in India by functionaries of the East India Company and others, and transferred to this country on the return home of the parties to whom the fortunes belong. A total, therefore, of about 3¾ Millions sterling is annually drawn from India by this country as the cost of the English Government of India. It may be called the annual tribute paid by India for English administration; and it would not be very difficult to prove that the arrangement is not an oppressive one for our Indian fellow subjects.

The East India Company may adopt one or both of two modes for bringing home the 3¼ Millions they require. For example: (1.) they may buy *in India* bills drawn upon England, and remit the bills to the Court of Directors in London; or (2.) the Court of Directors in London may *sell in London* bills drawn upon India.

Until within the last four or five years both these modes were employed. The purchase of Bills *in India* was known as the Hypothecation System; that is to say, the Treasuries at Calcutta, Madras, and Bombay made advances on the Hypothecation of the Bills and Shipping Documents connected with consignments of merchandise sent forward to England. These Bills and Documents were forwarded to the Court of Directors, and, of course, redeemed by the Consignees out of the proceeds of the importation. It was found, however, that the appearance of the Government at irregular times as a large buyer of Bills in the limited markets at Calcutta, Madras, and Bombay, led to sudden and violent disturbances of the course of the exchange, exceedingly prejudicial to the legitimate trade; and accordingly, after some agitation, the East India Company made arrangements for supplying the Home Treasury by the simple process of selling in London their own Bills drawn on India.

The Rate of Exchange per Rupee at which the India House are prepared to Sell bills on Calcutta, Madras, and Bombay, is advertised in London from time to time, and as may be rendered necessary by the wants of the Home Treasury or by the applications of the public. For example: if the Home Treasury happen to be in immediate want of any considerable sum, they *lower* the rate per rupee. If, on the other hand, the public apply for more Bills than the Home Treasury desire to sell, the rate per rupee is *raised;* and it will be obvious that the *higher*

the rate the more favourable is the operation to the India House.

In col. 4. of Table (B.) the several Drawing Rates of the India House are given for the Six Years 1851-56.

In 1855 the Rate was as high as 26*d.* per rupee, indicating a great demand for remittances to India in this country; and under ordinary circumstances, indicating, as a consequence, a considerable excess of Imports *from* India as compared with the Exports *to* India.

But the India House Rate cannot rise beyond a certain point without leading to the shipment of Silver to India as a cheaper remittance than Bills; and it will be seen in several parts of Table (B.), that the magnitude of the shipments of Silver in col. 6. correspond very closely with the degree of elevation in the India House Rate. The correspondence would be still closer if col. 6. did not include the exports of Silver to China.

The figures in col. 5. of Table (B.) give the Rate of Exchange on London prevailing, month by month, *at Calcutta* — the largest of the Indian centres of trade; and the *rise* of the rate *at Calcutta* indicates, of course, an abundance there of Bills drawn upon England, and therefore a large import of goods from India into England.

During the last three or four years, the Exchange between London and India has been affected to some extent by the transmission to India of the funds provided by shareholders in England for the construction of Railways in India.

The mercantile effect of this operation was, that England *imported* (so to speak) Indian Securities, and had to remit the purchase money either in goods or bullion: or it may be said, that India raised a Loan in England for the purposes of Public Works. But whichever mode of statement may be adopted, the result has been, that, in addition to paying for the Imports of Goods from India, England has had to provide a considerable *further* sum for the capital required for the Railway Works.

It must be remembered, however, that a large part of that capital was merely transferred in this country from the shareholders to the English manufacturers, who supplied the iron rails, the locomotives, and other parts of the working stock of the Lines. In Appendix XXIII. I have referred further to this particular topic.

## IV.

I have now to refer to the very singular circumstances connected with the Course of the Exchange between England and China.

The very large exports of Silver to China during the last three or four years have had their origin in a combination of peculiar circumstances. In the first place, the Civil War in China very severely interferes with the consumption of European commodities;—the prosperity of the Working Classes in this country has very largely increased the consumption of Tea;—and the antiquated and involved methods of effecting payments in Silver in China has led to the most extraordinary variations of the rate of exchange.

The following extract from a Report by Mr. Consul Robertson, on the Trade of the Port of Shanghai, for the year 1855, gives a clear statement of the principal circumstances affecting the Silver Currency at the Trading Ports of China.

"The high rates of Exchange which have prevailed at this port during the year 1855, ranging between 6*s.* 2*d.* and 6*s.* 9*d.* per Dollar, is an important feature in its mercantile aspect, and may be attributed to the extraordinary position the Local Currency assumes; a brief note on the origin and cause of which may not be out of place.

"I may, in the first place, observe, there is no Coined Silver or Gold currency in China; the only money taken being a copper coin called a *Cash*, of small value, about 1700 representing a silver Spanish (Carolus) Dollar. Silver, therefore, in bulk, at its pure touch of 100 per cent., takes the place of a coined measure of value, being divided into the Government standard weights called Tael, Mace, Cash, Candareem, each bearing a decimal proportion to the other; and thus a nominal money is created, although more properly these terms are merely "denominations of weight." I am not aware by what standard this measure of value is tested, or whence derived; but the Chinese Government Officers are supplied with a standard weight issued from the Board at Pekin, by which all Government payments are made; and according to this, one Tael of pure silver is equal in English weight to $1\frac{1}{3}$ oz., or 579·84 grains troy. The shape in which this currency medium appears in the market is in what are called Shoes, from their shape, weighing ten taels each, and sometimes, although not often, in smaller Shoes.

"The want of a more convenient measure of Silver value had evidently long been felt by the Chinese, as from an early period they adopted the only one that was available, the Spanish Dollar; but the love for affixing their names to everything told greatly against the integrity of the coin, and repeated stamps or Chop marks,

as they are termed, broke up the dollar rapidly, and established a third denomination of medium value, called "Broken Dollars," and which were weighed out by the Tael and its decimal, at a market value to the standard of pure silver. As long as there was a constant flow of the Spanish Carolus Dollar into the country, the inconvenience of a foreign currency or its loss by being broken up was not felt; but in time this ceased. The Spanish Mint no longer coined the Carolus dollar, and this medium of exchange became thus restricted to the amount in circulation. Upon this closely followed the war between Great Britain and China, which resulted in the opening of four new ports to foreign trade.

"The Carolus Currency had hitherto been confined to the port of Canton, and so little was it known in these northern ports, that the Mexican Dollar at first bore a premium over the Spanish, on account of its superior purity of touch; but the Canton linguists, and compradors, who came to Shanghai, bringing with them their preference for the Carolus dollar, and communicating with the Tea and Silk Merchants in the interior, who knew the coin, from their old relations with the Canton market, quickly brought it into vogue; and before long it became the currency of this port, as it was of Canton, but attended with the drawback of not only being a restricted coinage, but having an extended field to operate in. The consequences of this soon told, and have been gradually telling: for the last two or three years Spanish Carolus Dollars have been at a premium, varying from 30 to 40 per cent. over Mexican; and where it will stop, so long as this coin continues to be the currency of the Port, it is impossible to say.

"When I was in charge of Her Majesty's Consulate at Canton, in 1853, the foreign merchants, feeling the necessity of an extended medium of currency, Carolus dollars being then at twenty-seven per cent. premium on drafts from Shanghai, consulted with me on the subject; and I advised an equalisation of the dollar by placing it on the basis of the standard of pure silver, which would at once bring the Mexican and Carolus dollar to par. The idea was adopted, and by request I addressed the Imperial Commissioner on the subject, who came into my views, and the equalisation of the dollar was declared by public Proclamation. I was removed to Amoy before the system got into full operation; but it was speedily settled, and has worked well and satisfactorily. Still, however, there was the drain of the Shanghai market on Canton, which kept the Carolus at a slight premium, until that coin became exhausted.

"On my arrival at this port in the early part of last year, a similar application was made to me by a large number of the foreign merchants, and I communicated with the French and American Consuls, who at once agreed to effect a change on the same basis as that at Canton. Accordingly we addressed the Chinese local authorities on the subject, and the result was an assay of the Carolus, Ferdinand, Mexican, and other Dollars, at which they satisfied themselves that the purity of touch was in favour of the Mexican over the Carolus,

by at least 1 gr. 48 sc. Upon this they issued a proclamation declaring the two dollars to be at par.

"Had the foreign community taken advantage of the opportunity of placing the currency of the port on a sound basis, as was done at Canton, it would have been well; but, unfortunately, at a general meeting called by the Chamber of Commerce on the subject, resolutions were passed to treat the Mexican Dollar as the Dollar of account, making quotations, and, as far as practicable, contracts of sale and exchange in that currency; and to determine the relative value of the two dollars on that day, for the better regulation of outstanding accounts; this was afterwards done, and the difference declared at 25 per cent. When this result of the meeting was communicated to me, I considered it tantamount to a veto upon the proposed change; and such it has proved.

"I regret the more this hesitation on the part of the foreign community to grapple at once with the question, as circumstances and the time of year were favourable for effecting the change, and I doubt much so good an opportunity will ever again occur. It is, however, for those engaged in the Import trade to judge of what is best for themselves: to me it appears evident that a tight money market and restricted currency is so inimical to the development of trade, that a firm opposition to the fictitious basis on which the currency of this port is regulated, by the Representatives here of manufacturing and other interests at home, is almost a part of their duty in the interests of their constituents.

"It is clear that the High Rates of Exchange which prevailed during the year are attributable to the restricted currency. Money must be raised to meet liabilities; the peculiar nature of the specie required, and its limited supply, made it valuable in the market; holders were unwilling to part with it except at exorbitant rates; and so the people at home were taxed unwittingly to support a system which is unsafe and rotten.

"There is one, and a very powerful class, in the market, the Native Bankers, who of course support the Carolus currency, for they make large profits by its fluctuations. The imperial duties are paid in pure, or, as it is called, Sycee Silver; a large portion of the Exports are so paid, and it is in the purchase of Sycee to meet these liabilities that the Carolus Dollar comes greatly into operation. The Import Trade stands on a different footing. This is paid chiefly by Bankers' orders, at a month's date, made out for dollars. To bring the Mexican into the market, I insisted that these orders should be made out for Mexicans, if required: the Bankers refused, but I carried the point. I do not, however, consider it of much importance, for they are made out at Carolus rates, and nothing much gained by it.

"I have thus briefly glanced at the question of exchanges, but it is one of serious moment to this port, and exporters at home would do well to inquire into its working. I imagine, however, that the establishment of a Mint at Hong Kong would speedily settle affairs, and be of immense benefit to the trade of China and the Straits."

## V.

I have now only to advert to col. 9. of Table (B.), which gives the Rate of Exchange on London prevailing at Sydney, New South Wales.

The Currency, at Sydney, is in Pounds, Shillings, and Pence, as at London; and the abundance or scarcity of Bills in the Sydney Market is marked by the rise or fall of the quotations above or below Par. When the quotation exhibits a *premium*, the *Buyers* are more numerous than the Sellers, and the inference is, that *Imports* into New South Wales exceed the Exports. When the quotation exhibits a *Discount*, the Sellers are more numerous than the Buyers, and the *Exports* exceed the Imports.

In 1852—the year after the Gold Discovery—the Rate fell as low as 10 *per cent. Discount*, and it did not recover to 1 premium till March, 1853. In 1854 the quotation rose to 5 premium; and, during 1855 and '56, has ranged from about *par* to 3 premium.

In 1852 the considerable depreciation, as shown by the price of 10 discount — that is, as shown by the circumstance of a Bill for 100*l.* in London, selling, in Sydney, for 90*l.* — arose almost wholly from the first pressure of the quantities of New Gold Bullion brought into the market to be exchanged for *Coin*. The truth was, that the quantity of Coin in the Colony was not adequate to effect the needful number of exchanges; and hence arose the remarkable phenomenon of Gold Bullion worth 77*s.* per ounce selling for 56*s.* and 60*s.* per ounce; and of short Bills on London, drawn against shipments of Gold Bullion, selling at 10 per cent. discount.

But this was a state of things so extremely anomalous, that it was speedily corrected.

The moment that intelligence reached London, to the effect that Gold Bullion was selling in Sydney and Melbourne at 60*s.* per ounce, and that the Exchange on London was at 10 *discount*, large shipments of Sovereigns were sent out to be expended in buying bullion and bills at rates which yielded so large a profit; and it was from the operation of this legitimate mercantile course, that by far the largest part of the 12 Millions sterling of Gold which is supposed to have left this country for Australia in 1852 and 1853 was dispatched. And

it was also from the operation of the same cause that the Government were led, in March, 1853, to authorise the establishment of a Branch Mint at Sydney.

In 1854 the natural Course of the Exchange became re-established; and the preponderance of *Imports* into Australia over the *Exports* from Australia, led to the Buyers of Bills in London being more numerous than the Sellers, and, therefore, to the establishment of a premium in the quotations of the exchange.

(1.) *Note on the Regulations of the French Mint.*

Previously to the year 1835, a Kilogramme (15,436 Troy grains) of Gold $\frac{9}{10}$ fine was coined into 3100 francs; of which 9 francs were retained by the Mint for tropage.

A Kilogramme of Silver $\frac{9}{10}$ fine was coined into 200 francs, of which 2 francs were retained by the Mint.

By a Royal Ordnance, dated 25th February, 1835, the retenue at the Mint on Gold was reduced to 6 francs per kilogramme.

On the 22nd May, 1849, the Mint charge on the coinage of Silver was reduced to 1 fr. 50 cents. per kilogramme.

Hence the proportion of fine Silver to fine Gold, according to the regulations of the French Mint, is now 15·58 to 1.

Thus: 1985) 3094 (15·58.

A kilogramme of Gold $\frac{9}{10}$ fine is equal to $\frac{9}{10}$ of 15,436 grains of fine Gold.

A Sovereign (1*l.*) contains 113 grains (more correctly 113·001 grains) of fine Gold. Hence the par of Exchange with Paris (gold against gold) is 25·16 per £ sterling: for as—

13893 : 3094 :: 113 : 25·16.

(2.) *Note prepared in Nov.* 1856, *on the Details of Calculations connected with the Paris Exchange.*

The French mode of reporting Gold and Silver is, according to the decimal system, to report the whole of the fine Metal in Millièmes or 1000th parts of the Metal under trial.

Hence, as the English lowest division for *Gold* is into eighths of grains, or the 24 carats into 768 eighths of grains,—and for *Silver* into half dwts., or the 12 oz. into 480 half dwts.,—the French reports are finer, or to a greater degree of accuracy than the English,—

By 1000 to 768, or about 13 to 10 for *Gold*; and
By 1000 to 480, or about 2 to 1 for *Silver*.

The standard purity of French Coins of both Gold and Silver is 900 Millièmes fine; and the kilogramme of coined Gold is valued at 3100 fr.,—of coined Silver at 200 fr.

The Retenue or charge for Coinage at the Mint in 1835, was —

For Gold 6 fr. per kilog.
„ Silver 2 fr. „

making the prices paid by the Mint—

For Gold 3094 fr. per kilog.
„ Silver 198 fr. „

It is upon these prices that the Tariff valuations for the different degrees of purity of these Metals are based, the variations in the market price of either being made by an Agio or Premium.

The Gold and Silver weight is the kilogramme of 1000 grammes, and is reckoned = 15,434 grs. Troy; making the oz. Troy = 31·1002 grammes.

Tariff Rates.

For Gold 917 fine, 3094 fr. × 917 ÷ 900 = 3152·44 fr.
usually stated 3151·30 fr.
For Silver 925 fine, 198 fr. × 925 ÷ 900 = 203·50 fr.

To find the amount of 3071 kilog. of Gold, 917 fine, at 7 per mille premium upon the Tariff rate of 3152·44 fr. per kilog: —

3152·44 × 3071 × Premium = 9748·91 fr. : amount of Gold.

For Silver the same.

(3.) *Note prepared in Nov. 1856, relative to the Effect, on the Premium on Silver at Paris, of the Price of Silver in London.*

If Gold be bought in London at 77*s.* 10*d.* per ounce standard, and sold in Paris at 6 per mille premium, it would produce (without calculating charges of transport and sale) an Exchange of about 25·33 fr. per £ sterling.

Silver, if bought in Paris at 30 per mille premium, and sold in London at 62*d.* per ounce standard, would give a *gross* Exchange of about 25·23 fr. per £ sterling.

On comparing these rates with the present short Exchange at Paris, 25·25, it appears that Gold is dearer in Paris, and Silver dearer in London; but either of them to so small an extent as not to pay for the charges of transport.

If the two operations are combined, there appears to be a *gross* profit of about 10 cents per £ sterling, or 0·40 per cent., which is still not sufficient to pay the charges of transport *both* ways.

The above calculations are based on the *present* price of Silver here of 62*d.* per ounce. A small variation, however, makes a considerable difference in the result: thus, when Silver was recently at 62¼*d.*, the gross profit was increased to about 0·80ths per cent., which would pay all charges and leave a trifling profit.

(4.) *Note relative to Chopped Dollars as current in China.*

The contents, in Pure Silver, of a Spanish Dollar are, say, 370·9 grains; the contents, in pure Silver, of a *Dollar's Weight* of *Duty Sycee* are, say, 409·75 grains. The Sycee is therefore at its intrinsic par when it sells at about 10½ per cent. premium as paid for in Spanish Dollars; but between 1848 and 1854 the price of Sycee in chopped Dollars ranged from 11 per cent. premium to *par*. The price of Mexican Dollars in Sycee was 5 per cent. premium to nearly 12 per cent. discount; the price of the Carolus Dollars in Sycee ranged from 15 per cent. premium to ½ discount.

The Hong Merchants were first paid in Silver ingots, then in Spanish Dollars, which they marked or "chopped;" and from that practice arose the name of "Chopped Dollars" — that is, Spanish Dollars bearing the marks of Chinese Merchants; this marking, however, seriously diminishing the intrinsic value of the Silver to which it was applied.

(5.) *Note relative to the extreme Differences in the Rate of Exchange in the several Ports of China, in June, 1856.*

The following statement appeared in the *Daily News*, on 6th November, 1856, as communicated by a Merchant engaged in the China Trade.

"The rise in exchange at Shanghai shows the scarcity of Carolus II. Dollars, which are more and more finding their way into the country (interior), to pay for silk, at present.

"The intelligence from England embraces our June (1856) mail, by which 100,000*l.* of silver had reached China.

"The fall (of 1*d.*) in exchange at Canton may be attributed to the arrival of the July steamer with 456,000*l.* in silver.

"The Shanghai quoted rate for the dollar is for a coin limited in quantity, and not now obtainable in any quantity in Europe — the Carolus II. piastre. If the exchange at Shanghai goes to 10*s.*, while the rate at Canton (for the Canton currency, *i. e.*, Mexican dollar) was 5*s.*, the payment of produce in Shanghai could still be made at the rate of two Mexican dollars for one Carolus II., the coins being each of the same value intrinsically, which shows the fallacy of the system — a scarce coin being the basis of transactions at Shanghai, and a plentiful one at Canton.

"Observe the depreciation since last mail:

"In drafts on Canton, from 31–32 to 34 discount.

"Bills on Bengal, from 340 Company's rupees to 350 Company's rupees per 100 dollars.

"Sycee, from 106 dollars to 100 dollars per 100 taels.

"These rates are, according to supply and demand, severally relative to the rise in exchange.

"Therefore, unless the depreciation of drafts on Canton and Bengal, Sycee and Mexican dollars, can be arrested at Shanghai,

while the (prem.) rate of the Carolus dollar rises, there is practically no advance in the inducement to send out Mexican dollars, or bar silver. There is for Carolus dollars, but these are not to be obtained; and even the inducement to send out forged ones of equal purity has been defeated by the quick-sightedness of the Chinese.

"The rate of exchange at Canton alone determines the inducement for a continuance of shipments of silver, and that shows no profit on present quotations of 4*s.* 10*d.*

| | *s.* | *d.* |
|---|---|---|
| Rate at Shanghai - - - - - - | 7 | 7 |
| 3¼ per cent. discount for drafts on Canton, payable in Mexican dollars - - - - - | 2 | 7 |
| | 5 | 0 |

Leaving 2*d.* per dollar for expenses of sending Mexican dollars to Shanghai, by last accounts.

"As the four succeeding mails, to arrive at Hong-Kong, carry out nearly half a million sterling each, it may reasonably be expected that the rate of exchange at Canton will decline; what may happen at Shanghai for the Carolus dollar is not so much the question as the discount upon silver remitted from this country, determined by rate of drafts on Canton.

"In sending these memoranda, I also inclose two circulars from Canton and Shanghai, by which it will be seen that the quotations for the same articles at either place are widely different; but this is accounted for by the different standard of values for the currency. An attempt made within the last twelve months to assimilate the basis of transactions met with failure through the determined prejudices of the Chinese."

The third of these Notes (page 684.) exhibits very plainly the effect of the rise of the Price of Silver in London above 60*d.*, and still more above 62*d.*, in drawing Silver from France.

The *fourth* Note (page 685.) reveals the very remarkable fact of two kinds of metallic Silver Currency, viz. Dollars and Sycee, intrinsically at *par*, when the quotation is 10½ per cent. in *favour* of Sycee — varying in price as much as 11 per cent. for reasons purely fanciful and artificial.

I now introduce the two Tables (A.) and (B.) described at page 672. *antè.*

(A.) FOREIGN EXCHANGES. — *STATEMENT of the Average Monthly RATES of EXCHANGE at LONDON on PARIS, HAMBURG, and NEW YORK; and of the Arbitrated VALUE OF GOLD between London and those Places, from January, 1851, to December, 1856.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| Months. | PARIS. | | | HAMBURG. | | | NEW YORK. | | |
| | London on Paris, 3 Months' Date. | Gold Bullion. | | London on Hamburg, 3 Months' Date. | Gold Bullion. | | New York on London, 60 Days' Sight. | Gold Bullion. | |
| | | Against England. | For England. | | Against England. | For England. | | Against England. | For England. |
| **1851.** | | per ct. | per ct. | | per ct. | per ct. | | per ct. | per ct. |
| Jan. - | 25.22 | 0·65 | – | 13 . 6 | 0·65 | – | 110½ | – | 1· |
| Feb. - | . 20 | ·45 | – | . 6¼ | ·60 | – | 110 | – | 0·80 |
| Mch. - | . 20 | ·30 | – | . 7 | ·70 | – | „ | – | ·50 |
| April - | . 30 | ·25 | – | . 8 | – | 0·20 | „ | – | ·80 |
| May - | . 25 | ·35 | – | . 7⅓ | – | ·25 | 110¼ | – | 1· |
| June - | . 20 | ·10 | – | . 7½ | – | ·25 | „ ¼ | – | 0·95 |
| July - | . 20 | ·18 | – | . 7¾ | – | ·10 | „ ¼ | – | 1· |
| Aug. - | . 25 | par | – | . 8¼ | – | ·40 | 110 | – | 0·80 |
| Sep. - | . 35 | par | – | . 10 | – | ·40 | „ | – | ·50 |
| Oct. - | . 30 | – | 0·32 | . 10¼ | – | ·46 | „ | – | ·81 |
| Nov. - | . 40 | – | ·22 | . 11 | – | ·51 | „ | – | ·67 |
| Dec. - | . 47 | 0·38 | – | . 10¼ | – | ·58 | 110¼ | – | ·92 |
| **1852.** | | | | | | | | | |
| Jan. - | 25.47 | – | 0·41 | 13. 10¾ | – | 0·60 | 110 | – | 0·67 |
| Feb. - | . 50 | – | ·44 | . 10¾ | – | ·77 | „ ¼ | – | ·67 |
| Mch. - | . 55 | – | ·53 | . 11¼ | – | ·64 | „ ¼ | – | ·67 |
| April - | . 60 | – | ·56 | . 11¼ | – | ·42 | 109½ | – | ·26 |
| May - | . 65 | – | ·63 | . 11½ | – | ·60 | „ ¾ | – | ·15 |
| June - | . 60 | – | ·46 | . 11 | – | ·55 | 110¼ | – | ·79 |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| Months. | PARIS. | | | HAMBURG. | | | NEW YORK. | | |
| | London on Paris, 3 Months' Date. | Gold Bullion. | | London on Hamburg, 3 Months' Date. | Gold Bullion. | | New York on London, 60 Days' Sight. | Gold Bullion. | |
| | | Against England. | For England. | | Against England. | For England. | | Against England. | For England. |
| | | per ct. | per ct. | | per ct. | per ct. | | per ct. | per ct. |
| July - | 25.50 | – | 0·27 | 13.9¼ | – | 0·37 | 110¼ | – | 0·92 |
| Aug. - | . 50 | – | ·39 | . 9½ | – | ·56 | „ ½ | – | ·· |
| Sep. - | . 50 | – | ·34 | . 9¼ | – | ·41 | „ ½ | – | ·95 |
| Oct. - | . 50 | – | ·30 | 13. 8½ | 0·49 | – | „ ½ | – | ·85 |
| Nov. - | . 40 | 0·05 | – | . 7 | ·54 | – | 110 | – | ·79 |
| Dec. - | . 35 | ·10 | – | . 5½ | ·57 | – | „ | – | ·67 |
| **1853.** | | | | | | | | | |
| Jan. - | . 30 | 0·48 | – | 13.6 | 0·47 | – | 109½ | – | 0·54 |
| Feb. - | . 30 | ·38 | – | . 7 | ·35 | – | „ ¼ | – | ·25 |
| Mch. - | . 27 | ·43 | – | . 8 | ·42 | – | „ ¼ | – | ·50 |
| April - | . 30 | ·42 | – | . 8¼ | ·28 | – | 109 | 0·08 | – |
| May - | . 25 | ·45 | – | . 8¾ | ·05 | – | „ | – | ·13 |
| June - | . 30 | ·45 | – | . 8½ | ·18 | – | 109½ | – | ·42 |
| July - | . 27 | ·58 | – | . 7½ | ·80 | – | „ ¾ | – | ·42 |
| Aug. - | . 25 | ·58 | – | . 7 | 1·04 | – | „ ¼ | – | ·24 |
| Sept. - | . 24 | ·50 | – | . 7 | ·09 | – | 109 | 0·20 | – |
| Oct. - | . 34 | ·20 | – | . 7 | 0·93 | – | „ | – | ·12 |
| Nov. - | . 25 | ·48 | – | . 5 | ·89 | – | 109¼ | – | ·17 |
| Dec. - | . 30 | ·38 | – | . 5¼ | ·42 | – | „ ½ | – | ·29 |
| **1854.** | | | | | | | | | |
| Jan. - | . 32 | 0·35 | – | 13.5 | ·65 | – | 109½ | – | 0·15 |
| Feb. - | . 32 | ·48 | – | . 4 | ·40 | – | 109 | 0·25 | – |
| Mch. - | . 32 | ·58 | – | . 4¼ | ·38 | – | 108½ | ·35 | – |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| Months. | PARIS. | | | HAMBURG. | | | NEW YORK. | | |
| | London on Paris, 3 Months' Date. | Gold Bullion. | | London on Hamburg, 3 Months' Date. | Gold Bullion. | | New York on London, 60 Days' Sight. | Gold Bullion. | |
| | | Against England. | For England. | | Against England. | For England. | | Against England. | For England. |
| | | per ct. | per ct. | | per ct. | per ct. | | per ct. | per ct. |
| April - | 25.30 | 0·58 | – | 13.4½ | 0·30 | – | 108½ | 0·76 | – |
| May - | . 30 | ·58 | – | . 5 | ·15 | – | 109 | ·08 | – |
| June - | . 30 | ·28 | – | . 6 | – | 0·04 | 109¼ | – | 0·07 |
| July - | . 27 | ·28 | – | . 6 | – | ·03 | „ | – | ·17 |
| Aug. - | . 30 | ·16 | – | . 7 | – | ·41 | 109½ | – | ·10 |
| Sept. - | . 32 | ·11 | – | . 6½ | ·05 | – | „ | – | ·16 |
| Oct. - | . 37 | ·06 | – | . 7 | ·25 | – | 110 | – | ·42 |
| Nov. - | . 35 | ·24 | – | . 6 | ·31 | – | „ | – | ·29 |
| Dec. - | . 37 | ·24 | – | . 5¼ | ·40 | – | 109 | 0·31 | – |
| **1855.** | | | | | | | | | |
| Jan. - | 25.32 | 0·55 | – | 13.5¾ | 0·27 | – | 107 | 1·58 | – |
| Feb. - | . 35 | ·38 | – | . 5¾ | ·06 | – | 109 | 0·83 | – |
| Mch. - | . 45 | ·18 | – | . 7 | – | 0·27 | 110 | – | 0·07 |
| April - | . 50 | ·10 | – | . 8½ | – | ·63 | „ | – | ·48 |
| May - | . 45 | – | 0·12 | . 8 | – | ·53 | 110½ | – | ·61 |
| June - | . 40 | ·10 | – | . 7 | 0·17 | – | 110 | – | ·40 |
| July - | . 37 | ·43 | – | . 8 | ·39 | – | „ | – | ·67 |
| Aug. - | . 38 | ·48 | – | . 8 | – | 0·22 | „ | – | ·44 |
| Sep. - | . 60 | ·24 | – | . 9 | 0·59 | – | „ | – | ·42 |
| Oct. - | . 70 | – | 0·11 | .10 | – | 0·19 | 109½ | – | ·22 |
| Nov. - | . 75 | – | ·27 | .10 | – | – | 109 | 0·64 | – |
| Dec. - | . 70 | 0·09 | – | .10 | – | 0·08 | 108 | 1·08 | – |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| Months. | PARIS. | | | HAMBURG | | | NEW YORK. | | |
| | London on Paris, 3 Months' Date. | Gold Bullion. | | London on Hamburg, 3 Months' Date. | Gold Bullion. | | New York on London, 60 Days' Sight. | Gold Bullion. | |
| | | Against England. | For England. | | Against England. | For England. | | Against England. | For England. |
| **1856.** | | per ct. | per ct. | | per ct. | per ct. | | per ct. | per ct. |
| Jan. | 25.75 | – | 0·17 | 13. 10 | – | 0·48 | 108⅛ | 0·62 | – |
| Feb. | . 80 | – | ·16 | . 10½ | – | ·73 | „ | ·75 | – |
| Mch. | . 85 | – | ·26 | . 11½ | – | ·96 | 109 | ·35 | – |
| April | . 77 | – | ·35 | . 11¾ | – | ·85 | 109½ | – | – |
| May | . 77 | – | ·36 | . 11¼ | – | ·58 | 110 | – | 0·25 |
| June | . 73 | – | ·44 | . 10 | – | ·70 | 109½ | – | ·30 |
| July | . 65 | – | – | . 9 | – | ·20 | 110 | – | – |
| Aug. | . 63 | 0·20 | – | . 8 | 0·30 | – | „ | – | – |
| Sep. | . 65 | ·20 | – | . 7½ | ·80 | – | 109½ | – | – |
| Oct. | . 80 | ·40 | – | . 8½ | 1·00 | – | „ | – | – |
| Nov. | . 67 | ·30 | – | . 7½ | ·50 | – | „ | – | – |
| Dec. | . 67 | ·50 | – | . 7 | ·50 | – | 109¼ | – | – |

The quotation of the Exchange between London and Paris is in *Francs* and *Cents*, the par on gold being 25 . 16 = one £.

The Hamburgh quotation is in Marks and Schillings Banco, —meaning by Banco a certain denomination of Fine Silver. The par is 13 . 10½ = one £.

The New York quotation is expressed in the form of a Per-Centage on the assumed sterling value of the Dollar. The real sterling value of the Dollar is about 50*d.* The calculation assumes it to be 54*d.* — that is, 100*l.* will produce 8 *per cent.* more Dollars at 50*d.* than at 54*d.*; and the variations of the Exchange proceed upon this Per-Centage expression.

To Paris, Hamburgh, and New York, London gives what is called the *certain* for the *uncertain;* — in other words, gives 1*l.* for a *varying* quantity of the three foreign currencies. Hence it follows, that the *higher* the quotation, the more in *favour* of London.

(B.) *Statement of the Premium or Discount on Gold at Paris; of the Market Price in London of Standard Silver; of the Drawing Rate in London of the East India Company on Bengal and Madras; of the Market Rate at Calcutta for Six Months' Bills on London; and of the Value in Sterling of the Exports from Great Britain of Gold and Silver to the East Indies and China; from January, 1851, to December, '56.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Months. | Premium or Discount per Mille on Gold in Paris. | Market Price in London of Standard Silver per Oz. | E. I. Co.'s Rate on Bengal. | Market Price at Calcutta, of 6 Months' Bills on London. | Export from United Kingdom to India and China of | | Hong Kong on London, 6 w/st. | Sydney on London, 30 d/st. |
| | | | | | *Silver.* | Gold. | | |
| **1851.** | | *d.* | *d.* | *d.* | £ | £ | *d.* | per cent. |
| Jan. - | par | 61 5/8 | 25 | 26 1/2 | no retn. | no retn. | 61 | 2 d. |
| Feb. - | 3 dis. | ,, | ,, | ,, | ,, | ,, | 62 | ,, |
| Mch. - | ,, | ,, | ,, | ,, | ,, | ,, | 60 | ,, |
| April - | ,, | 61 1/8 | ,, | 24 1/2 | ,, | ,, | 56 | 1 d. |
| May - | ,, | ,, | ,, | ,, | ,, | ,, | ,, | ,, |
| June - | 3, 5 d. | 60 3/4 | ,, | 25 1/2 | ,, | ,, | ,, | par |
| July - | 4, 4 1/2 d. | 60 1/2 | 24 1/2 | 25 | ,, | ,, | 57 | ,, |
| Aug. - | ,, | ,, | ,, | 24 1/2 | ,, | ,, | ,, | 1/2 p. |
| Sept. - | 2 d. | ,, | ,, | 23 1/2 | 28 | 2, | 58 | 2 1/2 d. |
| Oct. - | 1 d., par | 60 1/4, 3/4 | 24 1/2 | 25 1/2 | 112, | 11, | 59 | ,, |
| Nov. - | par | 60 3/8, 1/2 | 24 | 26 1/4 | 81, | 11, | 60 | 6 d. |
| Dec. - | par, 5 p. | 60 3/4 | ,, | 26 1/2 | 199, | 60, | ,, | ,, |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Months. | Premium or Discount per Mille on Gold in Paris. | Market Price in London of Standard Silver per Oz. | E. I. Co.'s Rate on Bengal. | Market Price at Calcutta, of 6 Months' Bills on London. | Export from United Kingdom to India and China of | | Hong Kong on London, 6 w/st. | Sydney on London, 30 d/st. |
| | | | | | *Silver.* | Gold. | | |
| **1852.** | | *d.* | *d.* | *d.* | £ | £ | *d.* | per cent. |
| Jan. - | par | 60¾ | 24 | 26¼ | 333, | 7, | 58 | 5½ d. |
| Feb. - | „ | 60¾, ½ | „ | 24½ | 133, | 102, | 53 | — |
| Mch. - | par, 2 p. | 60⅜ | „ | 23½ | 95, | 103, | 51 | 6½ dis. |
| April - | 2 p. | 60⅜, 60 | „ | 23¼ | 65, | 33, | 52 | „ |
| May - | 4, 5 p. | 60, 59⅞ | „ | 23¾ | 7, | — | 52½ | 6½ d. sellers. 8 d. buyers. |
| June - | 5 p. | 59⅞, 60¼ | „ | 24½ | 67, | 41, | 56 | „ |
| July - | 4 p. | 60¼, ⅜ | 23, 24 | 25¼ | 118, | 50, | 60 | „ |
| Aug. - | 1 p. | 60⅜ | „ | 25½ | 88, | 85, | 58 | „ |
| Sept. - | 1 p. | „ | „ | 24½ | 471, | 47, | 57 | „ |
| Oct. - | 1 p. | 60¾, 61⅛ | 25 | 24¼ | 263, | 114, | „ | 10 d. |
| Nov. - | 1 p., par | 61⅛ | „ | 24½ | 367, | 119, | „ | 8-10 d. |
| Dec. - | par | 61½ | „ | 24¾ | 482, | 56, | 58 | „ |
| | | | | | 2,492, | 760, | | |
| **1853.** | | | | | | | | |
| Jan. - | par | 61⅜ | 25 | 24¾ | 175, | 51, | 60 | 8-10 d. |
| Feb. - | „ | 61¼ | „ | 25 | 495, | 51, | 58 | 4-5 d. |
| Mch. - | „ | 61⅜ | „ | „ | 237, | 35, | 60 | 1-2 p. |
| April - | „ | 61⅜, 61 | „ | 24½ | 175, | 71, | 61 | 1 p. |
| May - | „ | 61 | 24½ | „ | 103, | 48, | „ | „ |
| June - | „ | 61½ | „ | 25½ | 327, | 32, | 64 | „ |
| | | | | | 1,512, | 289, | | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Months. | Premium or Discount Per Mille on Gold in Paris. | Market Price in London of Standard Silver per Oz. | E. I. Co.'s Rate on Bengal. | Market Price at Calcutta, of 6 Months' Bills on London. | Export from United Kingdom to India and China of | | Hong Kong on London, 6 w/st. | Sydney on London, 30 d/st. |
| | | | | | *Silver.* | Gold. | | |
| **1853.** | | *d.* | *d.* | *d.* | £ | £ | *d.* | per cent. |
| July - | par | 61½ | 24 | 25½ | 162, | 40, | 64 | 2 p. |
| Aug. - | „ | 62 | 24¼ | „ | 138, | 94, | 70 | 2⅛ p. |
| Sept. - | 3 dis. | „ | „ | „ | 787, | 149, | 78 | 2 p. |
| Oct. - | „ | 61¾ | 24½ | „ | 756, | 55, | 66 | „ |
| Nov. - | 2 dis. | 62⅜ | „ | „ | 853, | 84, | 63 | 1 p. |
| Dec. - | 3 „ | 61½ | „ | 25 | 426, | 103, | 62 | „ |
| | | | | | 4,634, | 814, | | |
| **1854.** | | | | | | | | |
| Jan. - | 3 dis. | 61½ | 24¼ | 25 | 331, | 86, | 62 | 2 p. |
| Feb. - | „ | 61⅞ | „ | „ | 167, | 125, | 58 | „ |
| Mch. - | „ | „ | 25 | 25½ | 360, | 65, | 60 | 3 p. |
| April - | „ | „ | „ | 25 | 230, | 103, | 63 | „ |
| May - | „ | 61½ | 24 | „ | 162, | 41, | 62 | 5 p. |
| June - | 5 dis. | „ | 23½ | 24 | 597, | 94, | 60 | „ |
| | | | | | 1,847, | 514, | | |
| July - | 4 dis. | 61¼ | „ | 24¼ | 492, | 104, | 61 | „ |
| Aug. - | „ | „ | 23 | „ | 307, | 245, | 58 | „ |
| Sept. - | 3 dis. | 61½ | „ | 23 | 182, | 105, | 57 | „ |
| Oct. - | 1 dis. | „ | „ | „ | 61, | 41, | 58 | 3 p. |
| Nov. - | „ | „ | „ | „ | 175, | 97, | 78 | 3-5 p. |
| Dec. - | „ | „ | „ | 24 | 56, | 70, | 56 | 5 p. |
| | | | | | 3,120, | 1,176, | | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Months. | Premium or Discount per Mille on Gold in Paris. | Market Price in London of Standard Silver per Oz. | E. I. Co.'s Rate on Bengal. | Market Price at Calcutta, of 6 Months' Bills on London. | Export from United Kingdom to India and China of | | Hong Kong on London, 6 w/st. | Sydney on London, 30 d/st. |
| | | | | | *Silver.* | Gold. | | |
| **1855.** | | *d.* | *d.* | *d.* | £ | £ | *d.* | per cent, |
| Jan. - | 1 dis. | 61½ | 23 | 24½ | 314, | 100, | 57 | 5 p. |
| Feb. - | par | „ | 24½ | 25 | 167, | 43, | 79 | 3 p. |
| Mch. - | „ | 61 | 25 | „ | 227, | 52, | 56 | 1 p. |
| April - | „ | 60½ | „ | 26 | 238, | 39, | 56 | „ |
| May - | „ | 61¼ | 26 | 25 | 397, | 107, | 63 | ½ d. |
| June - | „ | 61½ | „ | 26 | 774, | 57, | 78 | 3-4 p. |
| | | | | | 2,117, | 398, | | |
| July - | „ | „ | „ | „ | 704, | 96, | 57 | „ |
| Aug. - | „ | 61 | „ | „ | 656, | 71, | „ | 2-3 p. |
| Sept. - | „ | 61½ | „ | „ | 932, | 146, | „ | 3 p. |
| Oct. - | 4-6 p. | 61¼ | „ | 26½ | 712, | 110, | 78 | „ |
| Nov. - | 4-5 p. | „ | 25 | 27 | 434, | 77, | 57 | „ |
| Dec. - | 4 p. | 61½ | 24½ | 26½ | 852, | 48, | „ | par |
| | | | | | 6,407, | 946, | | |
| **1856.** | | | | | | | | |
| Jan. - | 4 p. | 61⅛ | 24 | 26⅜ | 481, | 52, | 81 | par |
| Feb. - | 4-5 p. | 61½ | „ | 26½ | 948, | 35, | 79 | „ |
| Mch. - | 6 p. | 60⅞ | „ | „ | 853, | 29, | — | „ |
| April - | 4-5 p. | 61 | „ | „ | 809, | 33, | 60 | 1-3 p. |
| May - | 5 p. | 60⅛ | „ | 26 | 1,152, | 30, | 80 | 3 p. |
| June - | 2 p. | 61¼ | „ | 25 | 660, | 21, | 58 | „ |
| | | | | | 4,898, | 200, | | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Months. | Premium or Discount per Mille on Gold in Paris. | Market Price in London of Standard Silver per Oz. | E. I. Co.'s Rate on Bengal. | Market Price at Calcutta, of 6 Months' Bills on London. | Export from United Kingdom to India and China of | | Hong Kong on London, 6 w/st. | Sydney on London, 30 d/st. |
| | | | | | *Silver.* | Gold. | | |
| **1856.** | | *d.* | *d.* | *d.* | *£* | *£* | *d.* | per cent. |
| July - | 5 p. | 61¼ | 24⅔ | 25 | 1,104, | 46, | 59 | 3 p. |
| Aug. - | 6 p. | 61½ | „ | 24½ | 1,162, | 30, | 65 | 2 p. |
| Sept. - | 7 p. | „ | „ | 25 | 1,246, | 35, | 58 | 1 p. |
| Oct. - | 6 p. | 62 | „ | – | 1,278, | 13, | 79 | – |
| Nov. - | „ | 62¼ | „ | 25½ | 1,142, | 65, | 90 | – |
| Dec. - | „ | 61½ | 24 | 25 | 1,286, | 13, | – | – |
| | | | | | 12,118, | 105, | | |

In the preceding Table (B.) the quotations of the Exchange at Sydney are in the form of a Per-Centage of *Premium* or *Discount* on 100*l.* sterling. Thus the quotation of 3 premium in July, '56, means that a Bill drawn on London for 100*l.* sold in Sydney at 103*l.*

N.

# APPENDIX XXII.

BRITISH GOLD COIN, 1833–56: — AMOUNT ESTIMATED TO BE IN CIRCULATION AT VARIOUS DATES, AS INFERRED FROM RETURNS FURNISHED BY THE BANK OF ENGLAND.

(I.)

THE four Tables (A.), (B.), (C.), and (D.), attached to this Appendix, will, I am led to believe, enable us to form definite opinions on some of the interesting but obscure points connected with the additions which have been made during recent years to the quantity of British Gold Coin in Circulation in this and some other countries.

The first two Tables (A.) and (B.) have been constructed from a series of Parliamentary Papers suggested by my friend Mr. Marshall, the Chief Cashier of the Bank of England.

In the first Table (A.) the cols. 1—4. set forth the details of Gold and Silver *Bought* by the Bank of England, during each year, from 1840 to 1856; and cols. 6—9. set forth the details of the Gold and Silver *Sold* by the Bank during the same period.

It is obvious at once, that, as concerns *Bar Gold*, the Bank has been almost exclusively a *Buyer*. Until 1854, the *Sales* of Bar Gold are insignificant.

The excess of Purchases over Sales of Bar Gold, during the seventeen years 1840–56, amounted to 69 Millions sterling. And we find from the Summary Statement of Table (B.), that the quantity of Gold Coin received by the Bank from the Mint, amounted to rather more than 69 Millions. The process, therefore, seems to be, for the Bank to deliver to the Mint, for Coinage, the whole, or nearly the whole, of the Bar Gold purchased.

The cols. 2. and 8. in Table (A.) show the purchases and sales, by the Bank, of *Foreign Gold Coin.*

Until 1845, the transactions in Foreign Gold Coin were trifling, because it was a regulation at the Bank that Foreign Gold Coin could not be purchased as *Coin*, but must be melted

into the form of Bars. This regulation was found to be not only a hardship on the merchants, but also an inconvenience to the Bank; inasmuch as, whenever a demand arose for Foreign Gold Coin for export, the Bank had no stock available to satisfy the emergency. In 1845 the Bank began to purchase Russian Gold Coin; and in 1851 it began to purchase the Gold Coin of the United States; and these amended regulations are said to have answered the expectations of those who urged their adoption.

The purchases and sales of *Silver* by the Bank have been of very small amount since 1849.

It must be remembered, however, that Table (A.) does not exhibit the whole of the Bullion Trade of the country. It exhibits, in truth, only those transactions in Bullion which result in purchases or sales by the Bank, and which result, therefore, in additions to or diminutions of the Metallic Reserve of the Bank.

Besides these transactions, there is the vast trade carried on by the merchants in Gold and Silver, as an article of merchandise. It is true that a very considerable portion of the parcels of Treasure which arrive in this country pass through the Bank of England; but they pass through it not as additions to, and subtractions from, the Bank's Bullion Reserve, but simply as lodgments in the vaults of the Bank for safe custody — the owners paying a rent according to a scale of fixed charges for the accommodation afforded.

It appears, then, as the general result of Table (A.), that the *Influx* of Bar Gold into the Bank of England, during the seventeen years 1840–56, was 69 Millions sterling; and the *average annual* Influx was 2¾ Millions for the Ten Years 1840–49, and 6 Millions for the Seven Years 1850–56. And it appears from Table (B.) that the whole of the Bar Gold so received by the Bank was converted into British Gold Coin.

(II.)

But Table (B.) puts us in possession of information of considerable interest in connection with the demand for British Gold Coin.

The cols. 3. and 4. of Table (B.) state, year by year, the number of months during which the *Payments* of British Gold Coin by the Bank exceeded the Receipts. These withdrawals

of Gold Coin from the Bank were for purposes either of internal circulation or foreign remittance. It is quite certain that, in many of the years, the withdrawals were chiefly for Foreign Remittance. We see, for example, that in 1836 the *Efflux* (col. 8.) of Gold Coin was 3½ Millions; in 1838 it was nearly 3 Millions; in 1839 more than 2½ Millions; in 1847 more than 4 Millions; and in 1852–3, the years of the Australian demand, more than 20 Millions.

The cols. 5. and 6. of Table (B.) give the same details relative to the monthly *Excesses* of *Receipts*, as cols. 3. and 4. give relative to the monthly excesses of *Payment*.

For the seven years 1838–39, the *average annual Efflux* of Gold Coin was 1½ Millions.

And here it is necessary to point out a special circumstance of some moment connected with our present purpose, arising out of the Withdrawal of the Light Gold in 1841–43, and material, therefore, to be borne in mind in reasoning upon the facts presented in Tables (A.) and (B.). I am indebted to Mr. Marshall for an explanation of the details of the case.

When it was found in 1842–43 that the quantity of Light Gold Coin to be withdrawn was very great, and that, under any arrangement, the loss to the holders would be considerable, a special negotiation was concluded with the Bank of England by the Government, to the effect, that, to the end of 1843, the Bank should act as the agent, and purchase, on behalf of the Government, at the full Mint price of 3*l.* 17*s.* 10½*d.* per ounce, the Gold Coin cancelled as Light. To the close of 1843 the amount of these cancelments may be stated as amounting very nearly to 12 Millions sterling. These 12 Millions sterling were *re-coined* at the Mint, and again issued to the public by a mode which is *not* represented by cols. 4. and 6. of Receipts and Payments by the Bank of England in Table (B.). In point of fact, as regards the *withdrawal* and the *re-issue* of these 12 Millions of Gold Coin, the Bank did not interfere as a *principal*, but merely as an agent employed by the Government.

The effect of this special arrangement will be seen by a comparison of the *Total* Coinage of Gold Coin by the Mint in the three years 1842–44, with the Total Receipts of Gold Coin *by the Bank of England* from the Mint in the same years. For example: —

BRITISH GOLD COIN. — *STATEMENT of QUANTITIES received by BANK of ENGLAND from the Royal Mint; and of the TOTAL QUANTITIES Coined by the Royal Mint* 1841–55.

| Years. | Received from Mint by Bank of England. £ | Total Coined by Mint. £ | Years. | Received from Mint by Bank of England. £ | Total Coined by Mint. £ |
|---|---|---|---|---|---|
| 1841 | 351, | 378, | 1850 | 1,421, | 1,491, |
| '42 | 1,329, | 5,977, | '51 | 4,540, | 4,400, |
| '43 | 1,668, | 6,607, | '52 | 8,755, | 8,742, |
| '44 | 1,832, | 3,563, | '53 | 11,959, | 11,952, |
| | 5,180, | 16,525, | | 26,675, | 26,585, |
| 1845 | 4,300, | 4,244, | 1854 | 4,012, | 4,152, |
| '46 | 4,403, | 4,334, | '55 | 9,008, | 9,008, |
| '47 | 5,228, | 5,158, | '56 | 6,002, | 6,002, |
| '48 | 2,313, | 2,451, | | 19,022, | 19,162, |
| '49 | 2,248, | 2,177, | | | |
| | 18,492, | 18,364, | | | |

NOTE.—The three unit figures are omitted: thus, 351, represents 351,000*l.*

We find from these figures, that, in 1842–44, the Total Coinage was 16½ Millions, and the Total Receipts by the Bank only 5 Millions; the difference arising from the causes stated. In the other periods of the Table the Total Coinage corresponds very closely with the Bank's Receipts.

It follows, therefore, that the Total amount of Gold Coin *with the Public* was, practically, not affected at all by the withdrawal, in the first instance, and then the re-issue, of the 12 Millions here in question.

But *after* 1843 all the Gold Coin cancelled by the Bank of England as *Light*, or presented to it in other modes as *Light*, appears in Table (A.) col. 1. as part of the purchases of Bar Gold; and, after being re-coined, appears in Table (B.) col. 4, as part of the Payments to the Public.

During the thirteen years 1844–56 these Cancelments have amounted to about 500,000*l.* per annum; or, say, 6½ Millions sterling in the whole; and to the extent of that 6½ Millions the total of the excesses of *Payments* should properly be diminished in estimating the *outstanding* amount of Gold Coin.

During the five years 1845–49, the Efflux was at the rate of a little more than 3 Millions per annum.

And during the five years 1850–54, the Efflux rose to nearly 7 Millions per annum. For the two years, 1855–56, it was also not far short of 7 Millions per annum.

It is believed, by very competent authorities, that the 12 Millions sterling of Light Gold withdrawn from Circulation in the period 1840–44, was about *one third* of the Total Quantity of Gold Coin in circulation with the public in the United Kingdom. The Total Quantity would be, therefore, 36 *Millions sterling;* and allowing for the One Pound Notes so extensively in use in Scotland and Ireland, the 36 Millions would, it may be presumed, be almost wholly in circulation in England and Wales, and was, of course, *exclusive* of the Coin and Bullion Reserve in the Bank of England.

It is also believed, on what are considered highly probable grounds, that the exports of British Gold Coin to Australia in 1852 and '53 amounted to so large a sum as 12 Millions sterling. It is not ascertained that any considerable portion of these exports have been re-transmitted to this country. But, even if we assume, that one fourth of the 12 Millions has been returned in various ways, the export to Australia since 1851 would still amount to 9 Millions sterling.

It is believed, that the absorption of British Gold Coin by the remittances to the East of Europe, in consequence of the demands of the War, amounted, in the whole, to about 8 Millions sterling; and that scarcely any portion of those remittances have come back again.

Beyond these absorptions in Australia and the East of Europe, there have been absorptions of some magnitude in Brazil, Portugal, and Egypt; in all of which countries British Gold Coin is a legal tender, and has been extensively introduced.

It appears from Table (D.) that between 1847 and 1854 the exports of British Gold Coin to the three countries just named amounted to 4 Millions sterling; and we shall probably err on the side of under-statement if we place the absorption of British Gold Coin in these three countries, during the twelve years 1845–56, at 8 Millions.

Assuming, hypothetically, the reasonableness of these data, the conclusion would be as follows, viz.:—

*Estimate of the Quantity of British Gold Coin in Circulation with the Public in the United Kingdom, at the Close of* 1844 *and the Close of* 1856.

| | | | |
|---|---|---|---|
| Estimate at close of 1844 - - | | | 36 Mlns. |
| ADD: | | | |
| For Efflux from Bank of England during the — | | | |
| Five years, 1845–49 - - | 15 Mlns. | | |
| „ 1850–54 - - | 35 „ | | |
| Two years, 1855–56 - - | 14 „ | | |
| | 64 „ | | |
| *Less Light Gold cancelled* 1844–56 | 6 „ | | |
| | | 58 | „ |
| | | 94 | „ |
| DEDUCT: | | | |
| For Unrecovered Exports of Gold Coin during 1845–56: — | | | |
| to Australia - - - | 9 Mlns. | | |
| „ East of Europe - - | 8 „ | | |
| „ Portugal, Brazil, and Egypt - | 8 „ | | |
| | | 25 | „ |
| Leaving, apparently, in Circulation at close of 1856 - - - - - | | 69 | „ |

It must be confessed that the 69 *Millions* appearing as the result of this computation is exceedingly startling. Assuming such a result to be true, it would appear, that during the *Seven Years* 1850–56, the Gold Coin Circulation of the United Kingdom had been increased by no less than about 20 *Millions*.

I am inclined to think, however, that the amount of the Gold Coin Circulation in 1844 was considerably more than the 36 Millions assumed.

It is ascertained that the proportions of Light Gold in the Total Quantities tendered at the Bank of England and its Branches, was as follows, viz.:

| Years. | London. | Branches. |
|---|---|---|
| 1838 - - | 13·28 per cent. | - - 9·78 per cent. |
| '39 - - | 20·58 „ | - - 10·54 „ |
| '40 - - | 22·04 „ | - - 10·54 „ |
| '41 - - | 27·84 „ | - - 14·87 „ |

These figures indicate a proportion of about 25 per cent.; and as the quantity of Light Gold withdrawn was 12 Millions, the Total Gold Circulation would be, apparently, 48 *Millions.*

But if we assume that the real amount at the close of 1844 was 46 *Millions,* — and I am inclined to adopt that result as highly probable, — we shall then arrive at the following result, viz.: —

| | | | |
|---|---|---|---|
| *Assumed Gold Circulation at close of* 1844 | | | 46 Mlns. |
| Add: | | | |
| For efflux, 1845–49 | | | 15 „ |
| | | | 61 „ |
| Add: | | | |
| For efflux, 1850–56 | 49 Mlns. | | |
| Less: | | | |
| Exports to Australia, &c. | 25 „ | | |
| | | | 24 „ |
| *Apparent Gold Circulation at close of* 1856 | | | 85 „ |

In diminution of this very large apparent quantity of 85 Millions, there have, of course, been the exports of British Gold Coin to various parts of the world, over and above the 25 Millions, of which there are specific traces as having been sent to Australia and the other countries mentioned above; and also over and above the 6 Millions of cancelled Gold Coin during the thirteen years 1844–56.

We know, by the Gazette Returns made by the Banks in Scotland and Ireland, that the amount of Gold and Silver Coin held at the Head Offices is nearly 5 Millions; and beyond those central reserves there are the Reserves existing at the various Branches.

Of the Cash Reserves of the English Banks we have no account.

But considering the large extension during the last fifteen years in the practice of keeping banking accounts, against which cheques are drawn for miscellaneous payments, it is probable that the reserves in Gold Coin of the private and joint-stock banks of England, Wales, Scotland, and Ireland (including all the London Banks except the Bank of England), are not much less than 20 Millions sterling.

Beyond this 20 Millions, there are the enormous requirements for Gold and Silver Coin for all purposes of retail payments under *5l.* in England and Wales, and under *1l.* in Scotland and Ireland. The largest, probably, of these retail requirements are the payments for Wages.

And bearing in mind the increased trade and employment, and the increased population, at the close of 1856 as compared with the close of 1844, I am disposed to think, that if the amount of the Gold Coin Circulation was 46 Millions in 1844 we may suppose it to be, *say*, 70 *Millions* in 1856 (that is to say, 50 or 60 per cent. more), without any extreme departure from the probabilities of the case when they are carefully examined.

And considering the general tenour of former estimates of the quantity of Gold Coin in Circulation in the United Kingdom, it does not appear that a supposition of even 75 *Millions sterling*, as the quantity at the close of 1856, would be unduly exaggerated.

I have shown in a previous page (App. II., VI. 374. *antè*), that, even so early as 1560, the probable quantity of Gold and Silver Coin in England and Wales was 1,100,000*l.*

In 1688, Gregory King's Estimate (App. XX., VI. 667. *antè*) of the Gold Coin in England and Wales was 3 Millions; and of Silver Coin, 8½ Millions.

In the Commons' Report on Cash Payments of 1819 (App. XVI.), there is a return by Mr. Morrison, Deputy Master of the Mint, in which official figures are given, strongly supporting the conclusion, that, in 1780, the Gold Coin in Circulation in the United Kingdom amounted to more than 20 Millions — that is, after the great re-coinage of 1773–76; and Mr. Morrison gives further data which led him to believe that the real amount of Gold Coin in 1780 was not less than 26 Millions.

Sir George Rose estimated that, in 1798, the Gold Coin was 40 Millions.

And it appears by a subsequent Appendix (XXIV.) that Mr. Crawford, the Secretary of the United States Treasury, estimates, on elaborate data, that the quantity of Gold and Silver Coin in the States of the Union *increased*

| | | | | |
|---|---|---|---|---|
| from | 7½ | Millions sterling | on 1st January, | 1820 |
| to | 30 | „ | „ „ | 1849 |
| and to | 51 | „ | „ „ | 1854 |

All these estimates furnish presumptive ground for the occurrence of considerable additions to the metallic circulation during the last nine years.

(III.)

In the two last Tables (C.) and (D.) of this Appendix I have reduced into a convenient shape the information contained in certain elaborate returns from the Custom House, of the Exports of Gold and Silver from the United Kingdom during the period 1830–53.

These returns contain, perhaps, all the information we could expect from them relative to Exports of Treasure; and I am led to include them here, rather with the object of bringing into one view all the authentic data which are available, than on the ground of the intrinsic importance of the returns themselves.

I have also appended to Table (D.) a statement compiled from the elaborate Tables of Messrs. Haggard and Pixley, the Bullion Brokers, illustrative of the extent of the transit trade in Bullion between this country and the Continent.

I now introduce the Table (A.) already described at page 696. *antè.*

(A.) *Gold and Silver Bullion and Foreign Gold and Silver Coin Bought and Sold by Bank of England during each Year* 1840–56. (*Parl. Pr.* 10/54, *&c.*)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| BOUGHT. | | | | | SOLD. | | | | TOTAL OF GOLD AND SILVER. EXCESS. | |
| GOLD. | | | | | | | GOLD. | | | |
| Bar. | Foreign Gold Coin. | *Silver.* | Total Gold and Silver Bought. | Years ended 31 Dec. | Total Gold and Silver Sold. | *Silver.* | Foreign Gold Coin. | Bar. | Bought. | *Sold.* |
| Mins. £ | Mins. £ | Mins. £ | Mins. £ | | Mins. £ | Mins. £ | Mins. £ | Mins. £ | Mins. £ | Mins. £ |
| ·21 | ·07 | ·42 | ·71 | 1840 | 1·18 | ·68 | ·22 | 28 | – | ·47 |
| 1·19 | ·09 | – | 1·28 | '41 | – | – | – | – | 1·28 | – |
| 2·63 | ·20 | ·25 | 3·08 | '42 | ·16 | ·16 | – | – | 2·92 | – |
| 4·28 | ·24 | 2·00 | 6·51 | '43 | ·23 | ·23 | – | – | 6·27 | – |
| 3·74 | ·02 | ·11 | 3·87 | '44 | ·41 | ·40 | – | – | 3·46 | – |
| 12 05 | ·62 | 2·79 | 15·45 | | 1·98 | 1·47 | ·22 | ·28 | 13·93 | ·47 |
| 2·41 | 1·37 | ·74 | 4·52 | 1845 | ·75 | ·74 | – | ·01 | 3·87 | – |
| 3·26 | 1·27 | 1·24 | 5·77 | '46 | ·50 | ·35 | ·11 | ·04 | 5·27 | – |
| 2·53 | 2·33 | ·41 | 5·27 | '47 | 3·61 | 1·51 | 1·80 | ·29 | 1·66 | – |
| 4·47 | 1·32 | ·60 | 6·40 | '48 | 3·32 | 1·55 | 1·75 | ·03 | 3·07 | – |
| 3·02 | ·62 | – | 3·64 | '49 | ·30 | ·18 | ·8 | ·03 | 3·34 | – |
| 15·69 | 6·91 | 2·79 | 25·60 | | 8·48 | 4·33 | 3·74 | ·40 | 17·21 | – |
| 2·55 | ·39 | – | 2·94 | 1850 | ·92 | ·18 | ·51 | ·23 | 2·02 | – |
| 5 18 | 1·92 | – | 7·10 | '51 | ·31 | – | ·16 | ·15 | 6 79 | – |
| 13·17 | 2·18 | – | 15·36 | '52 | 1·39 | ·02 | 1·30 | ·07 | 13·96 | – |
| 8·70 | ·03 | – | 8·73 | '53 | 3·58 | ·02 | 3·21 | ·34 | 5·12 | – |
| 6·5 | ·16 | – | 6·61 | '54 | 3 28 | – | ·30 | 2·98 | 3·33 | – |
| 36·05 | 4·68 | – | 40·73 | | 9·48 | ·22 | 5·48 | 3·77 | 31·22 | – |
| 8·24 | ·07 | – | 8·31 | 1855 | 3·39 | – | ·01 | 3·37 | 4·94 | – |
| 6·02 | 1·05 | – | 7·07 | '56 | 1·97 | – | ·07 | 1·90 | 5·10 | – |
| ·05 | 13·33 | 5·58 | 97·16 | 1840–56 | 25·30 | 6·10 | 9·52 | 9·73 | 72·40 | ·47 |

NOTE.—The four figures at *Unit* end are omitted: thus ·07 represents 70,000*l.*

The following summary of the results of the preceding Table (A.) as regards *Bar Gold* (cols. 1. and 9.) will be convenient, viz.: —

BAR GOLD. — *Summary of the Groups of Years* 1840–56 *in Table* (A.)

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| Years. | Bought. | Sold. | Result. | | Average Annual Influx. |
| | | | Influx. | *Efflux.* | |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1840–44 | 12·05 | 0·28 | 11·77 | – | 2·35 |
| '45–49 | 15·69 | 0·40 | 15·29 | – | 3·60 |
| '50–54 | 36·05 | 3·77 | 32·28 | – | 6·46 |
| '55–56 | 14 66 | 5·27 | 9·39 | – | 4·20 |
| | 78·45 | 9·72 | 68·73 | – | |

The following Table (B.) has also been explained at page 696–7. *antè*, and should be read in careful connection with the collateral details stated at pages 698—700. *antè*.

(B.) British Gold Coin.—Bank of England.—*Statement of the Quantity of Gold Coin received from the Mint; and of the Amount of Gold Coin Received by the Bank from the Public, and Paid away by the Bank to the Public, during each of the Twenty-four Years* 1833–56. (*Parl. Pr.* 10/54, *&c.*)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Gold Coin received by Bank of England from Mint. | Years ended 31st Dec. | EXCESS OF | | | | Result during Year as regards Bank of England of | |
| | | Payments. | | *Receipts.* | | | |
| | | Months. | Amount. | Months. | Amount. | *Influx* of Gold Coin. | Efflux of Gold Coin. |
| | | No. | £ | No. | £ | £ | £ |
| not given. | 1833 | 6 | 1,916, | 6 | 1,475, | – | 441, |
| ,, | '34 | 6 | 3,095, | 6 | 916, | – | 2,179, |
| ,, | | 12 | 5,011, | 12 | 2,391, | – | 2,620, |
| ,, | 1835 | 8 | 2,365, | 4 | 1,356, | – | 1,009, |
| ,, | '36 | 9 | 4,097, | 3 | 631, | – | 3,466, |
| ,, | '37 | 4 | 1,357, | 8 | 2,549, | 1,192, | – |
| ,, | '38 | 9 | 3,625, | 3 | 714, | – | 2 911, |
| ,, | '39 | 8 | 4,186, | 4 | 1,575, | – | 2,611, |
| ,, | | 38 | 15 630, | 22 | 6,825, | 1,192, | 9.997. |
| ,, | 1840 | 6 | 2,173, | 6 | 2,111, | – | 62, |
| 351, | '41 | 6 | 1,950, | 6 | 2,410, | 460, | – |
| 1,329, | '42 | 6 | 3,962, | 6 | 2,763, | – | 1,119, |
| 1,668, | '43 | 5 | 2,895, | 7 | 3,043, | 148, | – |
| 1,832, | '44 | 8 | 4,272, | 4 | 1,194, | – | 3 078, |
| 5,180, | | 31 | 15,252, | 29 | 11,521, | 608, | 4,339. |
| 4,300, | 1845 | 11 | 5,3 6, | 1 | 143, | – | 5,163. |
| 4,403, | '46 | 8 | 4,505, | 4 | 677, | – | 3,828, |
| 5,228, | '47 | 8 | 6,003, | 4 | 1,870, | – | 4,135. |
| 2,313, | '48 | 6 | 3,606, | 6 | 2,927, | – | 679, |
| 2,248, | '49 | 8 | 2,994, | 4 | 1,661, | – | 1,333. |
| 18,492, | | 41 | 22,416, | 19 | 7.278, | – | 15.138. |
| 1,421, | 1850 | 9 | 3,955, | 3 | 114, | – | 3,841, |
| 4,540, | '51 | 11 | 4,650, | 1 | 17, | – | 4.633, |
| 8,755, | '52 | 12 | 11.716, | – | – | – | 11,716, |
| 11,959, | '53 | 10 | 10,003, | 2 | 342, | – | 9 661, |
| 4,012, | '54 | 11 | 5,154, | 1 | 269, | – | 4.885. |
| 30,687, | | 53 | 35.478, | 7 | 742. | – | 34.736. |
| 9,008, | 1855 | 11 | 8,504, | 1 | 492, | – | 8,012, |
| 6,002, | '56 | 10 | 6,330, | 2 | 698, | – | 5.632, |
| 15,010, | | 21 | 14,834, | 3 | 1,190, | – | 13.644. |

Note.—The three figures at unit end are omitted: thus 6,002, represents 6,002,000*l.*

The Table may be read thus:—In 1856 the Bank of England received from the Royal Mint, *Gold Coin* to the amount of 6,002,000*l.* During *ten* months of 1856, the *payments* by the Bank of British Gold Coin *exceeded* the *receipts* of the same Coin to the extent of 6,330,000*l.*; and during *two* months of 1856, the Receipts exceeded the *payments* to the extent of 698,000*l.* As the result of the whole, there was, consequently, an Efflux or excess of payments of 5,632,000*l.*

The Summary of the whole of the twenty-four years contained in the Table will be as follows:—

Gold Coin.—*Summary of the Groups of Years* 1833–56 *in Table* (B.)

| Received from Mint. | Groups of Years. | Excess of | | Result. | | Average *Annual* Efflux. |
|---|---|---|---|---|---|---|
| | | Payments. | Receipts. | Influx. | *Efflux.* | |
| Mlns. £ | | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| not given. | 1833–4 | 5·01 | 2·39 | – | 2·62 | 1·31 |
| ,, | 1835–9 | 15·63 | 6·82 | – | 8·80 | 1·76 |
| | | 20·64 | 9·21 | | 11·42 | |
| 5·18 | 1840–4 | 15·25 | 11·52 | – | 3·73 | ·75 |
| 18·49 | 1845–9 | 22·41 | 7·28 | – | 15·14 | 3·03 |
| 30·68 | 1850–4 | 35·48 | ·74 | – | 34·73 | 6·95 |
| 15·01 | 1855–6 | 14·83 | 1·19 | – | 13·64 | 6·82 |
| 69·36 | Totals. | 108·61 | 29·94 | – | 78·66 | |

In the following Table (C.), while it is certain that it presents only part of the whole case, it is material not to undervalue unduly the evidence it affords. We find, for example, in 1838, '39, '40, '47, and '53, very palpable traces of the influence of the adverse state of the Foreign Exchanges, which prevailed in those years.

(C.) *Total Exports of Gold and Silver Coin and Bullion from the United Kingdom, 1830—1853, as the Entries appear in the Books of the Custom House; stated in Millions Sterling.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| GOLD. | | | Years ended 31st Dec. | SILVER. | | |
| British Coin. | Foreign Coin and Bullion. | Total Gold. | | Total Silver. | Foreign Coin and Bullion. | British Coin. |
| Mlns. £ | Mlns. £ | Mlns. £ | | Mlns. £ | Mlns. £ | Mlns. £ |
| ·04 | ·63 | ·67 | 1830 | 4·70 | 4·69 | ·02 |
| ·14 | 1·46 | 1·60 | '31 | 5·33 | 5·33 | – |
| – | ·72 | ·72 | '32 | 1·86 | 1·86 | – |
| ·04 | 1·75 | 1·80 | '33 | 4·28 | 4·28 | – |
| ·78 | ·70 | 1·43 | '34 | 3·39 | 3·35 | ·04 |
| ·9[illegible] | 5·26 | 6·22 | | 19·56 | 19·51 | ·06 |
| ·26 | ·10 | ·36 | 1835 | 2·24 | 2·12 | ·11 |
| ·82 | ·92 | 1·74 | '36 | 1·97 | 1·89 | ·07 |
| ·66 | ·14 | ·80 | '37 | 3·14 | 3·34 | ·07 |
| 1·50 | ·42 | 1·92 | '38 | 3·34 | 3·22 | ·12 |
| 1·00 | 1·62 | 2·63 | '39 | 3·45 | 3·25 | ·10 |
| 4·24 | 3·20 | 7·45 | | 14 41 | 13·82 | ·56 |
| ·23 | 1·27 | 1·50 | 1840 | 3·99 | 3·87 | ·12 |
| ·07 | ·06 | ·12 | '41 | 3·84 | 3·71 | ·12 |
| ·43 | 04 | ·47 | '42 | 3·49 | 3·46 | ·04 |
| 2·26 | ·11 | 2·37 | '43 | 3·09 | 2·95 | ·14 |
| ·10 | ·16 | ·26 | '44 | 4·43 | 3·25 | ·08 |
| 3·09 | 1·64 | 4·72 | | 17·84 | 17·34 | ·50 |
| ·05 | ·18 | ·23 | 1845 | 3·84 | 3·73 | ·11 |
| ·40 | ·16 | ·55 | '46 | 2·40 | 2·34 | ·06 |
| 4·02 | ·95 | 4·97 | '47 | 3·82 | 3·58 | ·24 |
| ·91 | ·70 | 1·62 | '48 | 7·04 | 6·87 | ·17 |
| ·84 | ·39 | 1·24 | '49 | 7·72 | 7·65 | ·07 |
| 6·22 | 2·38 | 8·61 | | 24·82 | 24·17 | ·65 |
| ·92 | 1·76 | 2·68 | 1850 | 4·37 | 4·30 | ·06 |
| 1 98 | 2·20 | 4·13 | '51 | 5·08 | 4·91 | ·17 |
| 2·36 | 2·08 | 4·44 | '52 | 5·97 | 5·84 | ·12 |
| 2·36 | 10·74 | 13.10 | '53 | 6·15 | 6·08 | ·07 |
| 7·57 | 16·78 | 24·35 | | 21·57 | 21·13 | ·42 |

Note.—The four figures at the unit end are omitted: thus, 4 = 40,000.

(D.) *Export of Gold and Silver Coin and Bullion* from *the United Kingdom to the Countries as below, during the Years* 1847–53 ; *and for first Six Months of* 1854.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| Years ended 31st Dec. | France. | | | Hanse Towns, Holland, and Belgium. | | | Portugal. | Egypt. | | |
| | British *Gold* Coin. | Foreign Coin and Bullion. | | British *Gold* Coin. | Foreign Coin and Bullion. | | British *Gold* Coin. | British *Gold* Coin. | Foreign Coin and Bullion. | |
| | | Gold. | *Silver.* | | Gold. | *Silver.* | | | Gold. | *Silver.* |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1847 | – | ·16 | 2·31 | – | ·32 | 1·12 | ·36 | – | – | – |
| '48 | ·70 | ·18 | 3·81 | ·11 | ·48 | 3·00 | – | – | – | – |
| '49 | – | ·25 | 6·14 | ·12 | ·07 | 1·21 | ·08 | – | – | – |
| 1850 | ·01 | 1·40 | 1·89 | ·24 | ·23 | 1·06 | ·33 | ·05 | – | ·07 |
| '51 | ·51 | 1·24 | 1·40 | ·12 | ·51 | 1·80 | ·51 | ·28 | – | 1·53 |
| '52 | ·02 | ·68 | 1·07 | ·09 | 1·26 | 1·67 | ·15 | ·25 | – | 2·86 |
| '53 | ·01 | 5·46 | ·50 | ·13 | 4·83 | ·52 | ·56 | ·50 | ·37 | 4·57 |
| 1854 6 mo. | ·01 | 8·36 | ·15 | – | ·94 | 1·28 | ·07 | ·06 | ·06 | 1·82 |
| | 1·26 | 17·73 | 17·27 | ·81 | 8·64 | 11·66 | 2·06 | 1·14 | ·43 | 10 85 |

Note.—This statement is given in Millions sterling and decimals: thus, ·01 represents 10,000*l.*; and ·70 represents 700,000*l.*

The materials of the Table are contained in Lords' Report, Com. Dis. 1848, App 15.; and Parl. Pr. 516/54.

It is not supposed that this Return contains a full and accurate statement of the Exports of Bullion. Exports of Bullion, it is quite well known, are prevented by a multitude of causes from appearing on the books of the Custom House. Still the figures are of value, as indicating the direction and fluctuations of the export trade in bullion. The four countries referred to in the preceding table have been selected from the original Return as presenting results of the greatest magnitude; and the facts given, as regards some other places of destination, may be stated as follows:—

In 1847 there was an Export of 3,300,000*l.* of British Gold Coin to the *United States*; and in 1849 and 1850, a further similar export of 562,000*l.* During the six years 1848–53, there was an export of 710,000*l.* British Gold Coin, and 130,000*l.* British Silver Coin, to the *Mauritius* and *South Africa*. In 1851 and 1852 there was an export of 800,000*l.* British Gold Coin to *Brazil* and some other States of South America. During the four years 1848-51, there was an export of 290,000*l.* British Silver Coin to some of the *West India Islands*. As regards *Russia*, the only entry in the Official Paper is an export of 4,410,000*l.* Foreign Silver in 1850. And to *Australia*, the entries are an export of 2,312,000*l.* British Gold Coin, and 23,000*l.* British Silver Coin in 1852 and 1853.

According to the tables compiled by Messrs. Haggard and Pixley, the extensive Bullion Brokers, and given in their Circulars for the years 1853–56, the following were the Exports of the Precious Metals from the United Kingdom to the Continent of Europe, as far as appears by the Custom House Returns.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Year ended 31 Dec. | Hamburgh, Belgium, and Rotterdam. | | France, *via* | | | |
| | | | Boulogne, Calais, and Dunkirk. | | Folkestone and Dover. | |
| | Gold. | Silver. | Gold. | Silver. | Gold. | Silver. |
| | £ | £ | £ | £ | £ | £ |
| 1853 | 7,160, | 455, | 1,730, | 76, | not gvn. | not gvn. |
| '54 | 2,257, | 2,511, | 90, | 37, | 15,317, | 250, |
| '55 | 873, | 1,119, | 50, | 32, | 14,045, | 1,320, |
| '56 6 mos. to 30 June. | 170, | 299, | 3, | 1, | 2,570, | 901, |
| | 10,460, | 4,384, | 1,873, | 146, | 32,932, | 2,471, |

NOTE.—The three *unit* figures are omitted.

My apology for treating at such length, and by the aid of so many figures, this question of the amount of Gold Coin in Circulation, must be found in the circumstance that hitherto there has been no attempt to investigate the subject by bringing together any adequate extent of data.

N.

# APPENDIX XXIII.

SHIPMENTS OF SILVER TO INDIA AND CHINA DURING THE SIX YEARS 1851–56. — SPECIAL CIRCUMSTANCES AFFECTING THE EASTERN TRADE DURING THOSE YEARS. — INFLUX OF GOLD AND SILVER INTO INDIA DURING THE EIGHT YEARS 1847–54; AND SILVER COINAGE OF INDIA DURING THE TWENTY YEARS 1836–45.

AMONG the most remarkable commercial phenomena of the last five or six years has been the large and increasing annual shipments of the Precious Metals, — but chiefly Silver from Europe to India and China.

The continuance of these Shipments for so long a period, and to so large an extent, has naturally excited much attention, and has led to discussions, the result of which cannot be said to have been so far very satisfactory.

The problem, in truth, does not admit of any clear solution, except by means of an extensive and careful collation of facts scattered over a somewhat wide surface.

In the series of Tables (A.) to (O.) attached to this Appendix I have endeavoured to deal with the subject in this mode; and I have sought to render the evidence as complete as possible, because it is quite manifest, that upon a satisfactory explanation of the causes of the Drain of Silver to the East since 1850 will depend, in a great measure, the answer to be given to several of the most important questions arising out of the effect, up to the present time (close of 1856), of the Gold Discoveries.

I will state, first, the general nature of the Tables appended: —

The first Table (A.) and the subsidiary statements (B.) and (C.), set forth, on the data carefully compiled by Mr. Low, the shipments of Gold and Silver from Europe to the several Ports of India and China, during each year 1853–56, and in totals,

during each year 1851–56. Considering the special nature of the mode of transit (by the large steamers) for these shipments, it is probable that the figures in Tables (A.), (B.), and (C.), set forth with reasonable accuracy the whole of the Bullion Exports.

In the three Tables (D.) (E.) and (F.) will be found the leading facts connected with the Import and Export Trade of China during the six years 1850–55, as regards the Trade with the *United Kingdom*. The figures are official; and I believe that the statements given as regards the Trade with India and the United States are substantially near the truth.

The three Tables (G.) (H.) and (I.) exhibit very fully the Import and Export Trade of the whole of British India;—in the first place, in Tables (G.) and (H.), from the records of the India Custom Houses; and in the second place, in Table (I.), from the records of our Board of Trade.

The five Tables (K.), (L.), (M.), (N.), and (O.), relate to the Imports and Exports of Gold and Silver into and from the whole of India; and to the extent of the Silver Coinage of India during the whole or portions of the period 1834–55. These Tables have been derived from the data contained in the valuable paper by Colonel Sykes on the External Commerce of India, inserted in the Statistical Journal for 1856, and from data with which I have been furnished by Colonel Sykes' direction as Chairman of the East India Company; and I am glad to have this opportunity of expressing my obligations to Colonel Sykes, and to the official persons at the India House, for the readiness with which they have met my inquiries.

## (II.)

It will facilitate the explanations to be given, to introduce, in the first instance, the following General Summary of the facts contained in the Tables:—

INDIA AND CHINA TRADE, 1850–55. — *APPROXIMATE STATEMENT of the IMPORTS and EXPORTS as they affect the UNITED KINGDOM; being a General Summary of the Details contained in the annexed Tables* (A.) *to* (O.).

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| DESCRIPTION. | 1855. | '54. | '53. | '52. | '51. | '50. | TOTALS. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| (I.) | | | | | | | |
| *Exports from China —* | | | | | | | |
| to United Kingdom - | 8·6 | 9·2 | 6·7 | 6·2 | 6·2 | 5·0 | 41·9 |
| „ India - - - | 1·5 | 1·5 | 1·5 | 1·5 | 1·5 | 1·5 | 9·0 |
| „ United States - - | 2·6 | 2·1 | 1·9 | 2·6 | 2·2 | 2·0 | 13·4 |
| | 12·7 | 12·8 | 10·1 | 10·3 | 9·9 | 8·5 | 64·3 |
| „ *from India —* | | | | | | | |
| to United Kingdom - | 12·7 | 10·7 | 9·0 | 8·0 | 8·5 | 8·0 | 56·9 |
| *Totals* - | 25·4 | 23·5 | 19·1 | 18·3 | 18·4 | 16·5 | 121·2 |
| (II.) | | | | | | | |
| *Imports into China —* | | | | | | | |
| from United Kingdom - | 1·3 | 1·0 | 1·7 | 2·5 | 2·1 | 1·6 | 10·2 |
| „ India - - - | 3·6 | 3·7 | 3·6 | 4·2 | 4·2 | 4·2 | 22·5 |
| „ United States - | 0·3 | 0·3 | 0·3 | 0·3 | 0·3 | 0·3 | 1·8 |
| | 5·2 | 5·0 | 5·6 | 7·0 | 6·6 | 6·1 | 34·5 |
| „ *into India —* | | | | | | | |
| from United Kingdom - | 10·3 | 9·6 | 7·7 | 6·9 | 7·4 | 7·0 | 48·9 |
| Drafts by E. I. Co. - - - | 3·7 | 3·8 | 3·3 | 2·8 | 3·2 | 2·9 | 19·7 |
| | 19·2 | 18·4 | 16·6 | 16·7 | 17·2 | 16·0 | 103·1 |
| Ascertained shipments of Gold and Silver from Europe - | 9·0 | 5·7 | 6·5 | 3·6 | 1·8 | 0·5 | 27·1 |
| *Totals* - | 28·2 | 24·1 | 23·1 | 20·3 | 19·0 | 16·5 | 130·2 |

In 1856, the shipments of Gold and Silver amounted to 14½ Millions sterling.

It is quite clear on the face of these figures that the derangement of the Eastern Trade since 1851 has arisen almost wholly from the *increased* consumption in this country and the United States of the productions (chiefly Tea and Silk) of China; and from the *decreased* consumption in China of the manufactured goods (chiefly Cotton Manufactures) sent from England.

The trade with China is what is technically called a Triangular Trade; that is to say, that while America *buys* largely of China (almost wholly Tea), America *sells* but little direct to China. America settles its annual debt to China by additions to the exports of American goods to England. In other words, England becomes the channel through which the trade between China and America is adjusted.

Further, while India *sells* more merchandise (chiefly opium and cotton) to China, than China *sells* to India, the balance due from China to India is made to a considerable extent available for adjusting the balance due from England to China.

That balance is very large; and since 1851 has become larger every year.

England has consumed the Tea and Silk of China to the amount, in 1855, of 8½ Millions sterling; while the consumption of English Goods in China has been little more than 1 Million.

It would be very difficult, if not impossible, to untwine the separate threads which are involved in this intricate commerce; nor would such an effort answer any useful purpose.

The whole of the Eastern Trade must be considered in one mass; and probably the arrangement exhibited in the Summary just given is as convenient a form as can be adopted.

It is important to introduce (as is done) the amount of the Annual Drafts *on India* sold in London by the East India Company. I have explained, in Appendix XXI. (page 677. *antè*), the circumstances under which those Drafts arise, and why they are to be included among the Exports *to* India.

Including the amount of those Drafts, it appears — contrary to what is the general supposition — that, for the six years 1850–55, the Balance between India and England has been *in favour of England;* and that but for the excess of Imports into England and America, *from China*, the current of the Precious Metals would have been *from India to England*, as

the result of the ordinary trade in merchandise and India House Drafts between the two countries.

But, besides this ordinary trade, there has been, since 1852, the effect, year by year, of the investments of English Capital in Indian Railways.

I have no accurate means of ascertaining the amount of Funds lodged with the East India Company in London during the last four or five years — say during the years 1852–56 — as payments of capital by English and European shareholders, in pursuance of Shares held in Indian Railways. The amount, however, must have been considerable.

There have been two principal Railway Companies established as relates to India, and three or four minor Companies.

The original Company, and the largest, is the "East India Railway Company," incorporated by act of parliament in 1849, for the construction of a great Trunk Line from Calcutta towards Agra and Delhi, and the North West frontier. The amount of capital, authorised (by various modifications) to be raised by this Company, is about 10 Millions sterling; upon nearly the whole of which the East India Company guarantee rates of interest of 5 and 4½ per cent. per annum. About 40 Miles of the Line at the Calcutta end were opened in September, 1854; and a further portion of 120 Miles to the Ranegunge Collieries was opened in February, 1855. The works are vigorously in hand over all or most of the sections towards Delhi; and, as far as I can judge, the payments of capital in England, 1851–56, have been about 5 or 6 Millions sterling. Of these payments a large portion has been expended in England for Iron Rails, Locomotives, and Machinery; and that portion would not affect the Indian Exchanges. But by far the larger portions of the payments, it is to be presumed, have been remitted to India to provide for the immense disbursements there, for wages, salaries, materials, and charges.

The second Company is the "Great Indian Peninsular," also incorporated in 1849 for the construction of a Great Trunk Line from Bombay to various parts of the West Coast, and the Interior. The East India Company guarantee interest at 5 and 4½ per cent. per annum, on amounts of Capital equal to 3 or 4 Millions; and the payments on account of Capital in England in 1851–56 would seem to have been about 3 Millions sterling. A length of 37 Miles of the Line was opened from Bombay in 1854.

There are other Campanies for constructing Railways in Madras, Central India, Scinde, the Punjaub, and other regions; some of them under guarantees of interest, and others as merely private enterprises.

It seems to be probable, therefore, and is, I believe, the fact, that during the five years 1851–56, the Capital paid in London for Indian Railways has been not much less than 10 or 11 Millions sterling; that the remittances to India, in pursuance of these payments, must have been at least 5 or 6 Millions; and that of this sum of 5 or 6 Millions there has been remitted in the two years 1855 and '56, probably 1½ Millions a year — that is to say, that the payments in 1855–56 have been far heavier than in 1851–54.

It is highly probable that these remittances of 1½ Millions per annum may have been accomplished by direct shipments of Silver to some extent, bearing in mind the natural desire of the East India Company to obtain the best possible rate for the Bills sold by them in London.

Under any circumstances, it is perfectly plain that the Railway Remittances of 1851–54, and still more of 1855–56, have materially affected the position of the Eastern Trade; and it is abundantly obvious, that to whatever extent these railway remittances have proceeded, they have *pro tanto* turned the stream of silver in favour of India.

We see, indeed, from Table (I.) that the increase in the Real Value of the English *Exports* to India has been nearly or quite as rapid as the increase in the *Imports* from India. The Exports were 7 Millions in 1851, and 10⅓ Millions in 1855.

The *Imports* from India were 12½ Millions sterling in 1855; but in that year they were largely increased by the augmented importation from India of Cotton, Wood, Rice, and Seeds, in consequence of special disturbances of the price of those articles in this country.

But not only has the transit of Silver to the East been occasioned by an adverse mercantile balance against England, but it has been occasioned by the peculiar position of the Exchange markets. In the first place, the East India Company, in London, have been enabled, by the Railway Funds, to keep up a Selling Rate so high, that it has been profitable to remit Silver. In the second place, the state of the Exchanges in China has offered great inducements to Exchange operations by means of Bullion.

I arrive, then, at these conclusions, viz.:—

(1.) That down to the close of 1850, the Eastern Trade—that is to say, the Trade between China, India, the United States, and England—adjusted itself, year by year, very closely by means of the India House Drafts.

(2.) That, during the five years 1851–55, the Trade between England and India, including the India House Drafts, has exhibited a balance rather in favour of England than of India.

(3.) That, during those five years, the Exports of merchandise from England to India have increased as rapidly as the Imports into England from India.

(4.) That this ordinary trade has been interfered with by the arrangements for transferring to India the investments of English Capital in Indian Railways.

(5.) That the great cause of disturbance in the balance of the Eastern Trade since 1850, has been the very large and rapid increase in the consumption, in England and America, of the Tea and Silk of China.

(6.) That this disturbance has been materially increased by the impediments occasioned by the Civil War in China to the consumption of European Goods.

(7.) That it has been further increased by the confused and barbarous systems of Currency prevalent at the leading ports in China.

(8.) That it has been yet further increased by the inducements held out by the fluctuations of the Rate of Exchange in India and China to Exchange Operations by means of Silver Remittances.

(9.) That as the general result of the whole of these circumstances, we may correctly describe the efflux of Silver to the East during the six years 1851–56, as occasioned fundamentally by the increased demand for the Tea and Silk of China excited in England and the United States, principally in consequence of the enlarged employment and expenditure in those countries arising out of the Gold discoveries.

Part of the Gold of California and Australia has been employed in the purchase of larger quantities of those necessaries (Tea) and luxuries (Silk) of which China afforded the readiest supply; and England, occupying the chief position in the Eastern Trade,—performing the functions of an Intermediate Country, through which nearly all the rest of the world obtain their supplies of Asiatic commodities, and adjust the balances

due from them for these supplies, — has been, of necessity, the country most largely concerned in the Bullion operations of the last six years. On the one side, England has received from China and India the products for which there has been an active European and American demand; and, on the other side, England has collected and forwarded to the East the amounts of Gold and Silver required to adjust the general account of each year.

It is needful to remember, however, that until the year 1856, the remittances of Gold and Silver to the East were comparatively not of any excessive amount.

For the Five Years 1851–55, the Average Annual Remittances were—of

| | £ |
|---|---|
| Gold - - - | 500,000 |
| Silver - - - | 4,500,000 |
| | 5,000,000 |

and towards this annual remittance there were the increasing supplies of Silver from Mexico and South America.

In the Year 1856, the remittances have been,

| | £ |
|---|---|
| Gold - - - | 500,000 |
| Silver - - - | 14,100,000 |
| | 14,600,000 |

and this 14½ Millions is, beyond doubt, a drain of the most remarkable character; and very amply accounts for the rise in the price of Silver in London; for the drain of Silver from France; and for the absorption, at once, of all arrivals of Silver by the American packets.

Of the 14 Millions of Silver shipped in 1856, very nearly 5 Millions was sent to *Bombay;* and only 3½ Millions to Calcutta. It must be recollected, that the mere circumstance of the Silver being sent in the first instance to India does not justify the absolute inference, that therefore the remittance is intended to remain in India. The probability is that a very considerable proportion of the Silver remittances of the last four or five years have merely touched at Indian ports on their way

to China. The combinations rendered necessary by the varying rates of exchange, when two or more places are concerned, are so intricate that it is almost impossible to infer the real destination of specie from the first point of debarkation.

The remittances of the whole of the Six Years 1851–56 amount to—in

| | £ |
|---|---|
| Gold - - - | 5,000,000 |
| Silver - - - | 36,500,000 |
| | 41,500,000 |

The circumstances which will determine the future magnitude of the annual Drain of Silver to the East are: —

(1.) The continuance of the present consumption of Tea and Silk in England and the United States; that consumption depending in some intimate degree upon the abundance of the supplies brought forward in China. The consumption of China Silk, at least in 1857, will be very large, in consequence of the failure of the Silk Crop in Italy. The abundance of employment in England and America is likely to maintain a large consumption of Tea at moderate prices; but any important rise in the price of Tea, whether occasioned by failing supplies, or the cost of the Silver remittances required to be paid for it, would, as in the article of sugar in 1855, produce an immediate effect on the consumption.

(2.) The continuance of the remittances to India of English capital for investment in Railways — the effect of these remittances being to maintain the selling rate in London of the Drafts of the East India Company at a point favourable to the remittance of Silver.

(3.) The extension of the Exports of British and Foreign merchandise to India and China, — but especially to India; and every extension of Railways in India will powerfully assist the diffusion of European merchandise.

(4.) The establishment of an effective system of currency in China; the revision of the present Treaties with China; and the termination of the Civil War which has raged for ten or twelve years in the central provinces of the Chinese Empire. All these are results, the attainment of which will pro-

bably be promoted by the collision between the British and Chinese authorities at Canton, commenced in October, 1856.

So long, however, as the present drain of Silver to the East continues, it must be ascribed to its true cause, namely, — a re-distribution of Silver between the West and the East, arising wholly out of the large and sudden demand in the West for Asiatic commodities.

(III.)

The four Tables (K.) (L.) (M.) and (N.) exhibit very fully the Bullion Trade of the Whole of India for the Eight Years (ended 30th April) 1846–7 to 1853–4.

The general result was as follows during those Eight Years — and they may be considered as an ordinary period under present circumstances; viz.

*India*, 1846–7 *to* 1853–4. — *Average Annual* —

| | £ |
|---|---|
| Imports of *Gold* - - - | 1,170,000 |
| *Exports* „ - - - | 46,000 |
| *Net Imports* - | 1,124,000 |
| Imports of *Silver* - - - | 2,960,000 |
| *Exports* „ - - | 1,070,000 |
| *Net Imports* - | 1,890,000 |
| Net Balance of Imports of Gold and Silver into India - | 3,014,000 |

It appears from the Summary in Table (L.) of the more extensive details contained in Tables (M.) and (N.), that of the 1,170,000*l.* *Imports of Gold* about one half comes from China, and the other half from Ceylon, Singapore, and latterly from Australia.

Of the small amount of 46,000*l.* *Exports of Gold*, one half seems to be sent to England, and the other half to a variety of small places.

Of the large sum of 2,960,000*l.* *Imports of Silver*, nearly 50 per cent. is also obtained from China; 25 per cent. only (or

say ¾ of a Million sterling) was obtained in the eight years from England; and the remaining 50 per cent. was chiefly obtained from Ceylon.

The *export* of 1,070,000*l.* of *Silver* is similarly accounted for.

It is clear, therefore, that the Net Import of Silver and Gold may be stated to have been, down to 1853–4, not more than the comparatively moderate amount of 3 Millions sterling; and that, in general terms, 2 Millions are derived from China in payment for Opium.

It is necessary, therefore, to receive with great caution the statements which are frequently made of the large annual absorption of Silver in India, as the Balance due to India upon its external trade not only with China but with Europe.

In Table (O.), there is a statement of the Coinage of Silver in the whole of India during each of the Twenty Years 1835–6 to 1854–5.

The Average Annual Coinage is 3¾ Millions sterling; and the annual amounts present no extreme variations.

The money of Legal Tender in India is the Silver Coin called the "Company's Rupee," introduced 1st September, 1835, in supercession of the numerous varieties of rupees (Sicca, Surat, &c.) which were previously current. The Company's Rupee contains 165·92 grains pure silver, and 15·08 grains alloy; and is worth, reckoning Silver at 62*d.* per oz. 23*d.* sterling. It is popularly converted into sterling at the rate of 2*s.*

A Gold Coin was also introduced, 1st September, 1835, called a "Mohur," equal to 15 Rupees. The Mohur contained 165·92 grains pure gold, and 15·08 grains alloy, and is worth 1*l.* 9*s.* 2*d.* sterling.

Previous to the measure of September, 1835, Gold, as well as Silver, was a legal tender in India; but under the law of 1835, *Silver* was adopted as the exclusive standard.

In 1841, however, the Indian Governments found it expedient to authorise their Collectors to receive Gold Mohurs whenever tendered. But in December, 1852, a public notification was issued, that Gold Coins would be no longer received by the public officers. The effect of this notification, which is still in force, is again to render *Silver* the single standard metal in India.

The origin of the change of December, 1852, is said to have

been a somewhat sudden increase in the quantity of Gold Coin tendered by the public, and an apprehension, on the part of the Government, that they might possibly be led into the predicament of having to accept all payments made to them in Gold as the cheaper metal, and to make all payments to others in *Silver*, the dearer metal, and the only form of legal tender.

The question is an intricate one; but it seems to be probable that the notification of December, 1852, was somewhat hastily adopted.

The quantity of Silver Coin in use in India is quite enormous. The mass of Silver Coin held as the Cash Reserve of the several Public Treasuries, in various parts of India, frequently amounts to 12 or 15 Millions sterling. The introduction of Railways and Telegraphs will materially economise these reserves.

But the principal form in which Silver is absorbed in India is as personal ornaments — bracelets, brooches, hair-pins, &c.

There are no means of ascertaining, by any authentic data, the amount of Silver in use in India as Coin and Ornaments; and any attempts at numerical statement are little better than mere conjectures.

It is, however, quite conceivable that the mass of Silver may amount to 400 Millions sterling; and considering the nature of the forms in which it is principally found, we can scarcely estimate the annual loss by wear and abrasion at less than 1 per cent., or say, 4 Millions per annum.

Upon such a basis the net Imports of 2 Millions sterling per annum of *Silver* would only half suffice to replace the annual loss on the existing stock.

And I am inclined to think that, for a very long period of time, the Imports of Silver into India have been barely adequate to maintain the level of the previous enormous quantity.

I have referred, in a former Appendix (App. II., vi. 412, *antè*), to the importance of the element of Wear and Tear in all questions relating to the Precious Metals; and India is, I believe, one of the most striking illustrations of the vast consequences involved in this consideration.

(A.) *Shipments of Gold and Silver to India and China from the United Kingdom, and from Ports in the Mediterranean, during each of the Six Years 1851–56, according to the Returns compiled by Mr. James Low, Exchange Broker, 5, Austin Friars.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Shipped from England. | 1856. | | 1855. | | 1854. | | 1853. | |
| | Gold. | *Silver.* | Gold. | *Silver.* | Gold. | *Silver.* | Gold. | *Silver.* |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Per P. & O. C. Steamers to — | | | | | | | | |
| India: | | | | | | | | |
| Bombay - | 8, | 4,748, | 1, | 2,267, | – | 202, | 2, | 1,574, |
| Madras - | 28, | 213, | 18, | 177, | – | 28, | 22, | 173, |
| Calcutta - | 1, | 3,417, | – | 2,300, | – | 100, | – | 814, |
| | 37, | 8,378, | 19, | 4,644, | – | 330, | 24, | 2,561, |
| Straits: | | | | | | | | |
| Penang - | – | 52, | – | 23, | – | 20, | – | 48, |
| Singapore - | 30, | 514, | 27, | 283, | 90, | 362, | 9, | 460, |
| | 67, | 8,944, | 46, | 4,950, | 90, | 712, | 33, | 3,079, |
| China: | | | | | | | | |
| Hong Kong - | 130, | 1,443, | 214, | 625, | 227, | 916, | 93, | 670, |
| Canton - | – | 520, | – | 532, | 2, | 1,342, | 18, | 826, |
| Shanghai - | – | 1,203, | 21, | 200, | – | 120, | – | 6, |
| | 197, | 12,110, | 281, | 6,307, | 329, | 3,090, | 144, | 4,581, |
| Other Places | 208, | 8, | 667, | 103, | 812, | 10, | 516, | 39, |
| | 405, | 12,118, | 948, | 6,410, | 1,141, | 3,100, | 760, | 4,620, |
| Per G. N. S. N. C. Steamers - | – | – | – | – | 33, | 31, | 134, | 226, |
| *Total from England* | 405, | 12,118, | 948, | 6,410, | 1,174, | 3,131, | 894, | 4,846, |
| Total from Marseilles, Gibraltar, & Malta - | 74, | 1,990, | 243, | 1,524, | 48, | 1,451, | 92, | 847, |
| | 479, | 14,108, | 1,191, | 7,934, | 1,222, | 4,582, | 986, | 5,693, |

Note.—The three figures at *unit* end are omitted: thus, 8, represents 8,000*l.*

The total shipments to the several countries given in the preceding Table (A.) will appear from the following:

(B.) *Summary of preceding Table* (A.) *as regards Shipments from United Kingdom per P. and O. Steamers.*—1853–56.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Places. | 1856. | | 1855. | | 1854. | | 1853. | |
| | Gold. | *Silver.* | Gold. | *Silver.* | Gold. | *Silver.* | Gold. | *Silver.* |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| India - - | 37, | 8,378, | 19, | 4,644, | – | 330, | 24. | 2,561, |
| Straits - - | 30, | 564, | 27, | 306, | 90, | 382, | 9, | 508, |
| China - - | 130, | 3,166, | 225, | 1,357, | 230, | 2,378, | 111, | 1,502, |
| Other Places | 208, | 8, | 667, | 103, | 812, | 10, | 516, | 39, |
| | 405, | 12,118, | 948, | 6,410, | 1,141, | 3,100, | 760, | 4,620, |

And the following general Abstract, compiled from the tables furnished by Mr. Low, will show the *Total* Exports of Gold and Silver to the East, as far as ascertained during the Six Years 1851–56.

(C.) Gold and Silver.— *Total Shipments to East*, 1851–56.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Years. | GOLD. | | | SILVER. | | |
| | From Great Britain. | From Mediterranean Ports. | Total. | From Great Britain. | From Mediterranean Ports. | Total. |
| | £ | £ | £ | £ | £ | £ |
| 1851 | 102, | not given. | 102, | 1,716, | not given. | 1,716, |
| '52 | 922, | ,, | 922, | 2,630, | ,, | 2,630, |
| '53 | 880, | 93, | 973, | 4,710, | 848, | 5,558, |
| '54 | 1,174, | 48, | 1,222, | 3,132, | 1,451, | 4,583, |
| '55 | 948, | 243, | 1,191, | 6,409, | 1,524, | 7,933, |
| '56 | 404, | 74, | 478, | 12,118, | 1,990, | 14,108, |
| | 4,431, | 460, | 4,888, | 30,718, | 5,813, | 36,528, |

In addition to these Tables, derived from the Circular of Mr. Low, I gladly avail myself of certain returns published in the Daily News of 24th January, 1857, as compiled by the City Editor of that paper, relative to the arrivals of Gold and Silver in the United Kingdom during each month of 1856. From these returns I have drawn out the following Table (C*). The Daily News is honourably distinguished among the journals of the present time for the ability with which financial questions are discussed in its columns. I have not the good fortune to acquiesce in many of the doctrines put forward; but

I fully appreciate the calmness, intelligence, and impartiality with which the investigation is pursued by the writers in this Journal.

(C*.) GOLD AND SILVER, 1856.—*IMPORTS into UNITED KINGDOM from AUSTRALIA, UNITED STATES, and from WEST INDIES and MEXICO, according to the Data collected by the City Editor of the Daily News.*

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| 1856. | Gold from | | *Silver* from West Indies, Mexico, &c. | TOTAL GOLD and SILVER. |
| | Australia. | United States. | | |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| Jan. - - | ·67 | ·12 | ·80 | 1·63 |
| Feb. - - | ·32 | ·07 | ·72 | 1·15 |
| Mch. - - | ·65 | ·37 | ·36 | 1·41 |
| | 1·64 | ·56 | 1·88 | 4·18 |
| Apl. - - | 1·12 | ·35 | ·69 | 2·18 |
| May - - | 1·66 | ·78 | ·36 | 2·94 |
| June - - | 1·29 | ·92 | ·88 | 2·90 |
| | 4·07 | 2·05 | 1·93 | 8·02 |
| July - - | ·71 | 1·18 | ·63 | 2·76 |
| Aug. - - | 1·14 | 1·60 | ·54 | 2·67 |
| Sept. - - | ·67 | ·69 | ·75 | 2·17 |
| | 2·52 | 3·47 | 1·92 | 7·60 |
| Oct. - - | ·37 | ·80 | ·35 | 1·58 |
| Nov. - - | 1·27 | 1·10 | ·43 | 2·70 |
| Dec. - - | ·36 | ·60 | ·38 | 1·54 |
| | 2·00 | 2·50 | 1·16 | 5·82 |
| Total of 1856 | 10·25 | 8·60 | 6·82 | 25·63 |

NOTE. — The *four* unit figures are omitted: thus, ·67 represents 670,000*l.*

(D.) *China (including Hong Kong) — Exports to and Imports from — as regards the United Kingdom. — Five Years, 1850–54.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| Exports to China (Declared Value). | | | | | Years. | Imports from China. | | | | |
| | | | | | | *Quantities.* | | Estimated Value. | | Total Imports |
| Cotton Manufactures & Yarn. | Woollen Manufactures. | Metals. | All other Articles. | Total Exports. | | Tea. | Silk. | Tea. | Silk. | |
| £ | £ | £ | £ | £ | | lbs. | lbs. | £ | £ | £ |
| 1,020, | 404, | 48, | 102, | 1,574, | 1850 | 49,368, | 1,770, | 3,110, | 1,332, | 4,442, |
| 1,596, | 373, | 75, | 117, | 2,161, | '51 | 69,487, | 2,055, | 4,200, | 1,540, | 5,740, |
| 1,904, | 433, | 65, | 101, | 2,503, | '52 | 65,295, | 2,418, | 3,920, | 1,810, | 5,730, |
| 1,406, | 203, | 40, | 101, | 1,750, | '53 | 68,640, | 2,838, | 4,080, | 2,175, | 6,255, |
| 640, | 156, | 62, | 142, | 1,000, | '54 | 83,301, | 4,576, | 5,380, | 3,320, | 8,700, |
| 882, | 136, | 126, | 133, | 1,277, | '55 | 81,560, | 4,436, | 5,118, | 3,013, | 8,131, |

Note.—The Declared or Real Value of the Exports of Opium and other merchandise from Bengal *to China* during the four years 1853–56, is estimated as follows :—

| Year ended 30th June. | £ | |
|---|---|---|
| 1852–3 | 3,830,000 | Real Value. |
| '53–4 | 3,271,000 | „ |
| '54–5 | 3,306,000 | „ |
| '55–6 | 3,284,000 | „ |

And to these Exports to China must be added the Exports from Bombay and Madras.

The Imports *from China* into India (including Treasure) are stated to have been about 1½ Millions, during each of the four years ;—leaving, therefore, a Balance *against China* of about 2 Millions sterling in favour of India.

The *Quantity* of Tea exported from China to the *United States* during the Eight years 1849–56 is stated as follows :—

(E.) *Tea exported from China to United States.*

| Year ended 30th June. | lbs. | Estimated Value. £ |
|---|---|---|
| 1848–9 | 18,072,000 | 1,170,000 |
| '49–50 | 21,757,000 | 1,430,000 |
| '50–1 | 28,700,000 | 1,880,000 |
| '51–2 | 34,334,000 | 2,221,000 |
| '52–3 | 40,974,000 | 2,665,000 |
| '53–4 | 27,867,000 | 1,820,000 |
| '54–5 | 31,515,000 | 2,010,000 |
| '55–6 | 40,246,000 | 2,600,000 |

The Imports into China *from the United States* are very limited in amount. The payments due to China from the United States are almost wholly provided for by means of the trade of the United States with England.

The Total Value of the Imports into the United Kingdom from China has been about 500,000*l.* beyond the amounts set forth in col. 11. of Table (D.)

The general result, therefore, of the China Trade during the six years 1850–55, may be estimated as follows: —

(F.) China Trade, 1850–55. — *Estimate of the Amount in Millions Sterling of the Total China Trade during each of the Six Years.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Exports from China TO | '55. | '54. | '53. | '52. | '51. | '50. | Total. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| United Kingdom - | 8·6 | 9·2 | 6·7 | 6·2 | 6·2 | 5·0 | 41·9 |
| India - - - | 1·5 | 1·5 | 1·5 | 1·5 | 1·5 | 1·5 | 9·0 |
| United States - | 2·6 | 2·1 | 1·9 | 2·6 | 2 2 | 2·0 | 13·4 |
| | 12·7 | 12·8 | 10·1 | 10·3 | 9·9 | 8·5 | 64·3 |
| *Imports* into China FROM | '55. | '54. | '53. | '52. | '51. | '50. | Total. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| United Kingdom - | 1·3 | 1·0 | 1·7 | 2·5 | 2·1 | 1·6 | 10·2 |
| India - - - | 3·6 | 3·7 | 3·6 | 4·2 | 4·2 | 4·2 | 23·5 |
| United States - | 0·3 | 0·3 | 0·3 | 0·3 | 0·3 | 0·3 | 1·8 |
| | 5·2 | 5·0 | 5·6 | 7·0 | 6·6 | 6·1 | 35·5 |
| Balance in *favour* of China - - | 7·5 | 7·8 | 4·5 | 3·3 | 3·3 | 2·4 | 28·8 |
| | 12·7 | 12·8 | 10·1 | 10·3 | 9·9 | 8·5 | 64·3 |

(G.) BRITISH INDIA.—*STATEMENT (in Millions Sterling), according to the Books of the East India Company, of the REAL VALUE of the IMPORTS and EXPORTS of MERCHANDISE and TREASURE into and from the whole of INDIA, during the Years (ended 30th April) 1834–5 to 1854–5; omitting the mere Port to Port Trade from one Part of India to another.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| Years ended 30th April. | MERCHANDISE. | | | | | | TREASURE. (Gold and Silver) | | EAST INDIA CO.'S DRAFTS. | |
| | United Kingdom. | | Other Countries. | | TOTALS. | | Whole World. | | Bills sold in London by the E. I. Co. | Bills bought under Hypothecation in India. |
| | *Impts.* from. | Expts. to. | *Impts.* from. | Expts. to. | *Impts.* from. | Expts. to. | *Impts.* from. | Expts. to. | | |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1834–5 | 2·7 | 3·0 | 1·6 | 4·9 | 4·3 | 8·0 | 1·9 | ·2 | ·7 | not given. |
| '35–6 | 3·1 | 4·0 | 1·6 | 7·1 | 4·8 | 11·1 | 2·1 | ·1 | 2·0 | – |
| '36–7 | 3·8 | 4·9 | 1·7 | 8·3 | 5·5 | 13·2 | 2·0 | ·2 | 2·0 | – |
| '37–8 | 3·2 | 4·3 | 1·8 | 6·9 | 5·0 | 11·2 | 2·6 | ·3 | 1·7 | 1·6 |
| '38–9 | 3·5 | 4·5 | 1·7 | 7·2 | 5·2 | 11·8 | 3·0 | ·3 | 2·3 | 0·8 |
| '39–40 | 4·3 | 5·9 | 1·5 | 4·9 | 5·8 | 10·8 | 1·9 | ·5 | 1·4 | 1·0 |
| | | | | | | | 13·5 | 1·6 | 10·1 | – |
| 1840–1 | 6·0 | 7·0 | 2·4 | 6·4 | 8·4 | 13·4 | 1·8 | ·3 | 1·2 | 1·2 |
| '41–2 | 5·4 | 7·1 | 2·3 | 6·7 | 7·8 | 13·8 | 1·8 | ·5 | 2·6 | 0·4 |
| '42–3 | 5·3 | 5·8 | 2·2 | 7·7 | 7·6 | 13·5 | 3·4 | ·2 | 1·2 | 0·6 |
| '43–4 | 6·3 | 7·7 | 2·5 | 9·5 | 8·8 | 17·2 | 4·8 | ·7 | 2·8 | 0·2 |
| '44–5 | 7·9 | 7·2 | 2·8 | 9·3 | 10·7 | 16·6 | 3·7 | 1·1 | 2·5 | 0·6 |
| | | | | | | | 15·5 | 2·8 | 10·3 | 3·0 |
| 1845–6 | 6·5 | 6·6 | 2·6 | 10·3 | 9·1 | 17·0 | 2·5 | ·8 | 3·1 | 0·5 |
| '46–7 | 6·4 | 6·5 | 2·5 | 8·8 | 8·9 | 15·3 | 2·9 | ·7 | 3·1 | 1·3 |
| '47–8 | 5·8 | 5·7 | 2·8 | 7·6 | 8·6 | 13·3 | 2·0 | 1·4 | 1·5 | not given. |
| '48–9 | 5·5 | 6·2 | 2·8 | 9·9 | 8·3 | 16·1 | 4·2 | 2·5 | 1·9 | " |
| '49–50 | 7·6 | 7·0 | 2·7 | 10·3 | 10·3 | 17·3 | 3·4 | 1·0 | 2·9 | " |
| | | | | | | | 15·0 | 6·4 | 12·5 | – |
| 1850–1 | 8·3 | 8·1 | 3·2 | 10·0 | 11·5 | 18·1 | 3·8 | ·5 | 3·2 | not given. |
| '51–2 | 9·2 | 7·1 | 3·0 | 12·7 | 12·2 | 19·9 | 5·0 | ·9 | 2·8 | " |
| '52–3 | 7·2 | 8·4 | 2·7 | 12·1 | 10·1 | 20·4 | 6·8 | 1·0 | 3·3 | " |
| '53–4 | 8·4 | 7·7 | 2·7 | 11·6 | 11·1 | 19·3 | 4·9 | 1·5 | 3·8 | " |
| '54–5 | 9·6 | 6·9 | 2·8 | 11·4 | 12·4 | 18·3 | 2·0 | 1·9 | 3·7 | " |
| | | | | | | | 22·5 | 5·8 | 16·8 | |

NOTE.—The *five* unit figures are omitted: thus, 9·6 represents 9,600,000*l.*

The following Abstract will collect, in a concise form, the results of the preceding Table (G.) for the several periods of years into which it is divided: —

(H.) *SUMMARY of preceding Table* (G.), *according to the ANNUAL AVERAGES of the PERIODS of YEARS* 1834–5 *to* 1854-5.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| Groups of Years ended 30th April. | MERCHANDISE. | | | | | | TREASURE. (Gold and Silver) | | Bills sold in London by E. I. Co. | Bills bought under Hypot. in India. |
| | United Kingdom. | | Other Countries. | | TOTALS. | | Whole World. | | | |
| | *Imports* from. | Exports to. | *Imports* from. | Exports to. | *Imports* from. | Exports to. | *Imports* from. | Exports to. | | |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1835–40 | 3·4 | 4·4 | 1·7 | 6·5 | 5·1 | 11·0 | 2·3 | 0·4 | 1·7 | 1·0 |
| 1841–45 | 6·2 | 6·9 | 2·4 | 7·9 | 8·6 | 14·9 | 3·1 | 0·6 | 2·1 | 0·6 |
| 1846–50 | 6·3 | 6·3 | 2·7 | 9·4 | 9·4 | 15·8 | 3·0 | 1·3 | 2·5 | 1·0 |
| 1851–55 | 8·5 | 7·6 | 2·9 | 11·5 | 11·4 | 19·2 | 4·5 | 1·2 | 3·4 | *not gvn.* |

NOTE.—The cols. 10. and 11., which exhibit the amount of the Drafts of the East India Company sold in London (col. 10.), and the amount advanced in India by the East India Company on the Hypothecation of Goods (col. 11.), have been already explained in Appendix XXI. (page 677. *ante*). The figures in col. 11. cannot be obtained for the whole period.

In connection with the preceding Table (G.), made up from the returns of the Custom Houses *in India*, we may usefully consider the statement of the Trade with India, as made up by our own Board of Trade.

With the year 1854 the Board of Trade commenced a system which enabled them to ascertain the *Real Value* of the *Imports*, as well as of the Exports, to India and other Countries. Prior to 1854, the *quantities* of the articles imported can only be given.

In the following subsidiary Table (I.) I have given an abstract of the English Returns for the five years 1851–56, enumerating the leading articles both of Import and Export.

The rapid Expansion of the Value of the Exports to India, from 7 Millions sterling in 1851, to 10 Millions sterling in 1855, is a result which will arrest attention.

(I.) WHOLE OF INDIA (*exclusive of Ceylon and Singapore*). —*STATEMENT of the Real Value of the IMPORTS from, and EXPORTS to, as regards the United Kingdom, according to the Returns of the Board of Trade.*

(I.) IMPORTS FROM INDIA.—*Real Values.*

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| ARTICLES. | 1855. | '54. | '53. | '52. | '51. |
| | Mlns. £ | Mlns. £ | | | |
| Cotton, Raw | 2·24 | 1·64 | | | |
| Hemp | ·57 | ·67 | | | |
| Hides | ·48 | ·40 | | | |
| Indigo | 1·52 | 1·54 | | | |
| Oils | ·34 | ·21 | | | |
| Saltpetre | ·26 | ·60 | Real Value not given for | | |
| Rice | 1·56 | ·87 | 1853, '52, and '51. | | |
| Seeds | 1·88 | ·77 | | | |
| Silk, raw | ·56 | ·40 | | | |
| „ Manufactures | ·26 | ·28 | | | |
| Sugar | 1·03 | ·88 | | | |
| Wool, Sheep's | ·50 | ·40 | | | |
| All other Articles | 1·47 | 2·00 | | | |
| *Totals* | 12·67 | 10·67 | | | |

(II.) EXPORTS TO INDIA.—*Real Values.*

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| ARTICLES. | 1855. | '54. | '53. | '52. | '51. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| Beer and Ale | ·44 | ·30 | 26 | ·17 | ·15 |
| Copper | ·36 | ·16 | 18 | ·20 | ·30 |
| Cotton Manufactures | 5·84 | 6·56 | 5·07 | 4·70 | 5·04 |
| Iron | 1·24 | ·45 | ·35 | ·18 | ·27 |
| Machinery | ·40 | ·10 | ·09 | ·04 | ·03 |
| Woollen Mnfrs. | ·27 | ·36 | ·27 | ·21 | ·27 |
| All other Articles | 1·39 | 1·19 | ·09 | ·97 | ·95 |
| *Forward* | 9·95 | 9·12 | 7·32 | 6·48 | 7·02 |

(II.) EXPORTS TO INDIA—*continued.*

| ARTICLES. | 1855. | '54. | '53. | '52. | '51. |
|---|---|---|---|---|---|
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| *Forward* - | 9·95 | 9·12 | 7·32 | 6·48 | 7·02 |
| Foreign and Colonial Produce - - - | ·40 | ·50 | ·40 | ·40 | ·40 |
| | 10·35 | 9·62 | 7·72 | 6·88 | 7·42 |
| India House Drafts - | 3·70 | 3·80 | 3·30 | 2·80 | 3·20 |
| | 14·05 | 13·42 | 11·02 | 9·68 | 10·62 |
| Deduct — Apparent Balance in *favour* of United Kingd. | 1·38 | 2·85 | – | – | – |
| | 12·67 | 10·67 | | | |

(K.) GOLD AND SILVER.—*IMPORTS and EXPORTS, by Sea:—WHOLE of INDIA (Bengal, Madras, and Bombay), during the Eight Years (ended 30th April)* 1846–7 *to* 1853–4.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| TOTAL OF GOLD *and* SILVER. | | Years ended 30th Apl. | GOLD. | | SILVER. | |
| Imported. | *Exported.* | | Imported. | *Exported.* | Imported. | *Exported.* |
| £ | £ | | £ | £ | £ | £ |
| 2,940, | 714, | 1846–7 | 852, | 3, | 2,088, | 711, |
| 1,972, | 1,426, | '47–8 | 1,048, | 10, | 924, | 1,416, |
| 4,204, | 2,539, | '48–9 | 1,402, | 53, | 2,802, | 2,486, |
| 3,396, | 971, | '49–50 | 1,160, | 65, | 2,236, | 906, |
| 3,811, | 541, | 1850–1 | 1,155, | 2, | 2,656, | 539, |
| 5,052, | 919, | '51–2 | 1,339, | 71, | 3,713, | 848, |
| 6,831, | 1,055, | '52–3 | 1,335, | 169, | 5,496, | 886, |
| 4,848, | 788, | '53–4 | 1,078, | 4, | 3,770, | 784, |
| 4,132, | 1,119, | Average (8 years). | 1,171, | 47, | 2,960, | 1,072, |
| 33,054, | 8,953, | TOTAL 8 years. | 9,369, | 377, | 23,685, | 8,576, |
| 25,101, | – | Excess of *Imports.* | 8,992, | – | 15,109, | – |

(L.) WHOLE OF INDIA. — *Imports and Exports of* GOLD *and* SILVER. — *Summary.* — *Eight Years,* 1846–7 *to* 1853–4.

| IMPORTED into Whole of India. | | | EXPORTED from Whole of India. | |
|---|---|---|---|---|
| *Average.* | TOTAL. | From or To | TOTAL. | *Average.* |
| £ | £ | | £ | £ |
| **(I.) GOLD.** | | | | |
| 40,000 | 324,000 | United Kingdom | 206,000 | 26,000 |
| 8,000 | 62,000 | Foreign Europe | – | – |
| 5,000 | 42,000 | America | – | – |
| 594,000 | 4,758,000 | China | 12,000 | 1,000 |
| 522,000 | 4,180,000 | All other Places | 156,000 | 19,000 |
| 1,169,000 | 9,366,000 | | 374,000 | 46,000 |
| **(II.) SILVER.** | | | | |
| 665,000 | 5,325,000 | United Kingdom | 2,269,000 | 284,000 |
| 28,000 | 225,000 | Foreign Europe | 8,000 | 1,000 |
| 8,000 | 63,000 | America | 7,000 | 1,000 |
| 1,356,000 | 10,850,000 | China | 452,000 | 56,000 |
| 898,000 | 7,183,000 | All other Places | 5,832,000 | 729,000 |
| 2,955,000 | 23,646,000 | | 8,568,000 | 1,071,000 |

(M.) WHOLE OF INDIA.—(I.) *GOLD Imported and Exported (by Sea) from and to the following Countries, viz.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Years ended 30th April. | United Kingdom. | | Foreign Europe. | | America. | | China. | | All other Places. | | TOTALS. | |
| | Imptd. from. | *Exptd. to.* | Impd. from. | *Expd. to.* | Impd. from. | *Expd. to.* | Imptd. from. | *Expd. to.* | Imptd. from. | *Exptd. to.* | Imptd. from. | *Exptd. to.* |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| 1846–7 | – | – | 2, | – | 16, | – | 460, | – | 374, | 3, | ,851 | 3, |
| '47–8 | 23, | 3, | – | – | 20, | – | 516, | – | 490, | 6, | 1,049, | 9, |
| '48–9 | 15, | 38, | – | – | 6, | – | 934, | – | 445, | 14, | 1,401, | 52, |
| '49–50 | 10, | 36, | – | – | – | – | 634, | – | 515, | 28, | 1,159, | 64, |
| '50–1 | 22, | – | – | – | – | – | 695, | – | 438, | 2, | 1,155, | 2, |
| '51–2 | 72, | – | – | – | – | – | 693, | – | 573, | 70, | 1,338, | 70, |
| '52–3 | 130, | 129, | 60, | – | – | – | 568, | 10, | 576, | 30, | 1,334, | 169, |
| '53–4 | 52, | – | – | – | – | – | 258, | 2, | 769, | 3, | 1,077, | 5, |
| Ave. | 40, | 26, | 8, | – | 5, | – | 594, | 1, | 522, | 19, | 1,170, | 46, |
| TOTAL | 324, | 206, | 62, | – | 42, | – | 4,758, | 12, | 4,180, | 156, | 9,364, | 374, |

(II.) *Silver:—Whole of India.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Years ended 30th April. | United Kingdom. | | Foreign Europe. | | America. | | China. | | All other Places. | | Totals. | |
| | Imptd. from. | *Exptd.* to. | Impd. from. | *Expd.* to. | Impd. from. | *Expd.* to. | Imptd. from. | *Expd.* to. | Imptd. from. | *Exptd.* to. | Imptd. from. | *Exptd.* to. |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| 1846–7 | 1, | – | – | – | 7, | – | 1,450, | – | 628, | 709, | 2,086, | 709, |
| '47–8 | 35, | 704, | 1, | – | 21, | 5, | 520, | 32, | 346, | 674, | 923, | 1,415, |
| '48–9 | 21, | 1,460, | – | – | 12, | 2, | 2,174, | – | 596, | 1,023, | 2,802, | 2,485, |
| '49–50 | 16, | 82, | 1, | 6, | 6, | – | 1,692, | 60, | 520, | 757, | 2,235, | 905, |
| '50–1 | 480, | 10, | 18, | – | 3, | – | 1,150, | 1, | 1,003, | 527, | 2,654, | 538, |
| '51–2 | 969, | 6, | 58, | – | 13, | – | 1,608, | 3, | 1,064, | 838, | 3,712, | 847, |
| '52–3 | 2,210, | – | 22, | – | 1, | – | 1,862, | 21, | 1,400, | 865, | 5,495, | 886, |
| '53–4 | 1,593, | 7, | 155, | 2, | – | – | 394, | 335, | 1,627, | 439, | 3,769, | 783, |
| Ave. | 665, | 284, | 28, | 1, | 8, | 1, | 1,356, | 56, | 898, | 729, | 2,959, | 1,071, |
| Total | 5,325, | 2,269, | 225, | 8, | 63, | 7, | 10,850, | 452, | 7,183, | 5,832, | 23,676, | 8,568, |

(N.) Whole of India: *Year* 1853–4.—*Detail of the Total, representing the Imports and Exports in the column headed "All other Places," in the preceding Table* (M.).

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| GOLD. | | From or To | SILVER. | |
| Imported. | *Exported.* | | Imported. | *Exported.* |
| £ | £ | | £ | £ |
| – | – | Malta - - - | 3,000 | – |
| 20,000 | – | Suez - - - | 450,000 | 5,000 |
| 16,000 | – | Aden - - - | 93,000 | 8,000 |
| 119,000 | 2,000 | Ceylon - - - | 835,000 | 294,000 |
| 44,000 | – | Penang - - - | 21,000 | – |
| – | 1,000 | Malacca Straits - | – | 63,000 |
| 29,000 | – | Arabian Gulph - | 45,000 | 4,000 |
| 134,000 | – | Persian Gulph - | 113,000 | 7,000 |
| 2,000 | – | Africa - - - | 14,000 | 4,000 |
| 3,000 | – | Cape of Good Hope - | – | – |
| 70,000 | – | Mauritius - - | 21,000 | 54,000 |
| 2,000 | – | Bourbon - - - | 31,000 | – |
| 350,000 | – | New South Wales - | 1,000 | – |
| 769,000 | 3,000 | | 1,627,000 | 439,000 |

(O.) *Silver Coinage for the Whole of India (that is, of the three Mints of Calcutta, Madras, and Bombay), distinguishing the Bullion delivered by the Public and the Uncurrent Coins cancelled by the Treasuries,*—1835–6 *to* 1854–5.

| 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|---|
| Years ended 30th April. | Silver received from Public. | Uncurrent Coins from Treasury. | Silver Coinage. | Years ended 30th April. | Silver received from Public. | Uncurrent Coins from Treasury. | Silver Coinage. |
| | Mlns. £ | Mlns. £ | Mlns. £ | | Mlns. £ | Mlns. £ | Mlns. £ |
| 1835–6 | 1·35 | 1·46 | 2·27 | 1845–6 | 2·26 | 1·43 | 3·84 |
| '36–7 | 1·25 | 2·25 | 3·81 | '46–7 | 1·78 | 1·41 | 2·92 |
| '37–8 | 1·81 | 1·78 | 3·19 | '47–8 | ·62 | ·88 | 1·78 |
| '38–9 | 1·99 | 1·59 | 3·85 | '48–9 | ·94 | ·65 | 2·58 |
| '39–40 | 1·92 | 1·22 | 3·14 | '49–50 | 1·93 | ·57 | 2·41 |
| Average | 1·66 | 1·66 | 3·25 | Average | 1·50 | ·99 | 2·71 |
| 1840–1 | 1·66 | 1·15 | 2·84 | 1850–1 | 2·27 | ·99 | 2·61 |
| '41–2 | 2·10 | 1·87 | 3·29 | '51–2 | 3·73 | ·96 | 4·24 |
| '42–3 | 3·07 | ·48 | 3·30 | '52–3 | 5·45 | ·49 | 5·51 |
| '43–4 | 3·54 | ·94 | 4·67 | '53–4 | 3·28 | ·80 | 5·25 |
| '44–5 | 3·56 | 1·21 | 4·70 | '54–5 | ·42 | ·61 | 1·36 |
| Average | 2·78 | 1·13 | 3·76 | Average | 3·03 | ·77 | 3·79 |
| Totals ten yrs. | 22·25 | 13·95 | 35·06 | Totals ten yrs. | 22·68 | 8·79 | 32.50 |

As regards the last five of these Tables (K.), (L.), (M.), (N.), and (O.), I desire to draw the attention of the reader to the statements contained at pages 722–3. *antè*, relative to the real nature of the Bullion Trade of India, and of the comparatively limited Coinage of India.

N.

# APPENDIX XXIV.

UNITED STATES. — CHARACTER AND EXTENT OF THE METALLIC CIRCULATION; — NUMBER AND RESOURCES OF THE BANKS OF THE UNION IN 1856; — TRANSACTIONS OF THE NEW YORK CLEARING HOUSE, 1853–56; AND PROGRESS OF THE EXTERNAL TRADE OF THE UNION, 1835-55.

## I.

IN the Table (A.) annexed I give an outline of the important Act of February, 1853, passed by the Congress of the United States with the view of promoting the Circulation of Small Silver Coins,—that is, of Halves, and Quarters, and Tenths of the *Silver Dollar* (the Dollar being worth in Sterling, say 4*s.* 2*d.*).

The Act came into force on 1st June, 1853; and it is probable that to the end of 1856 ($3\frac{1}{2}$ years), the Silver Coinage of the United States has been nearly 5 Millions sterling.

Before the fundamental alteration of 1834 in the Mint regulations of the United States, the Metallic Currency of the Union consisted almost wholly of *Silver*, chiefly in consequence of the *under-valuation* of Gold as compared with Silver, at the States Mint.

Under the law of 1792, the proportion of Silver to Gold was fixed at 15 to 1. This proportion was lower than the *market* proportion, and consequently but little Gold was carried to the States Mint, or was employed in Circulation.

In 1834, when the alteration was made, it was computed by Mr. Pennington,—at that time, as at present, one of the highest authorities on the subject, — that in England, according to the Mint regulations, the proportion of Silver to Gold was 15·71 to 1; — that in France, the *Mint* proportion was 15·69 to 1, and the *market* proportion a little *more* than 15·69 to 1; — and that in the general markets of Europe the proportion was 15·71 to 1.

The Act of 1834 raised the proportion at the Mint of the United States to 16 to 1; and of course, held out a material inducement to the introduction of Gold into the United States as Coinage.

The effect of the Act of 1834 is very apparent on the face

of the Returns of the Coinage of Gold and Silver by the Mints of the United States. For example: —

*Coinage of Gold and Silver at Mints of United States.*

| Period. | Total Coinage. | Avge. Annl. Coinage. |
|---|---|---|
| | £ | £ |
| 10 years, 1824–33 - | 820,000 *Gold* - | 82,000 *Gold.* |
| „ „ - | 4,560,000 Silver - | 456,000 Silver. |
| 10 years, 1834–43 - | 5,460,000 *Gold* - | 546,000 *Gold.* |
| „ „ - | 5,220,000 Silver - | 522,000 Silver. |

With these results we may conveniently compare the corresponding results of the Thirteen years 1844–56 (both inclusive), as follows: —

| | £ | £ |
|---|---|---|
| 13 years, 1844–56 - | 76,230,000 *Gold* - | 5,840,000 *Gold.* |
| „ „ - | 8,080,000 Silver - | 620,000 Silver. |

It appears from these figures, that while the average *Gold* Coinage of the Ten Years 1834–43 was nearly *seven times* the magnitude of the corresponding Coinage for the Ten Years 1824–33, — the Gold Coinage of the Thirteen Years 1844–56 was in its turn more than *Ten times* the magnitude of the Coinage of 1834–43.

The increase in the average annual *Silver* Coinage of the three periods is not remarkable; and the average of the *whole* of the 33 years (1824–56) may be stated at 500,000*l.* of Silver Coinage *per annum.*

One of the conclusions to which Mr. Pennington was led in his comments, privately printed in 1836, relative to the Act of 1834, has been verified by the recent Act of 1853.

Mr. Pennington pointed out that the proportion of 16 to 1 of Silver to Gold, established in 1834, would so far *underrate* Silver that the smaller Silver Coins would be exported; and that, sooner or later, Congress would be compelled to follow the example of this country, and reduce the minor silver coins to the grade of a mere *Token* currency, protecting the public against imposition by rendering the small coins a legal tender for very limited sums.

It appears by Table (A.) that the Act of 1853 adopts this precise course as regards the Halves, Quarters, and Tenths of the Dollar, confining the legal tender to Five Dollars.

At present, however, as from 1792 downwards, the mint regulations of the United States are based upon a Double Standard, and the proportion of Gold to Silver Coins in circulation is left to be determined by the value of the two metals in the markets of the world.

Indeed, in the report of the Chief Officer of the United States Mint for 1854, the very first year after the change of 1853, he points out that in consequence of the rise of the price of Silver in London above 60*d.* per oz., it would, in all probability, be necessary still further to lessen the intrinsic value of the Sub-Dollar silver Coins.

We arrive then at these conclusions, viz.: —

(1.) That, from 1792 downwards, the standard in the United States has been a Double Standard of Gold and Silver.

(2.) That, prior to 1834, the United States Mint regulations valued the proportion of Silver to Gold as 15 to 1,—a proportion which materially *undervalued* Gold, and prevented the employment of Gold in the metallic circulation of the States.

(3.) That the Act of 1834 raised the proportion of Silver to Gold to 16 to 1,—or to a point which slightly *overvalued* Gold, and led to the extrusion of the *Silver* coins of the Union Mintages.

(4.) That the last alteration, namely, that of 1853, has to a considerable extent promoted the employment of small *Silver* coins, by reducing the Sub-Dollar pieces to the grade of mere Tokens.

II.

The second Table (B.) appended is compiled from a statement prepared in 1854 by Mr. Crawford, the Secretary of the United States Treasury, and may be assumed therefore to be founded as far as practicable on the best data.

It can of course be regarded as no more than Estimate,—just as all computations of the quantity of Coin at any particular time in circulation in a country are of necessity estimates.

The results at which Mr. Crawford arrives are remarkable.

He estimates, for example, that the Quantity of Gold and Silver Coin in the United States was early in: —

| | £ |
|---|---|
| 1820 - - - | 7,400,000 |
| 1849 - - - | 29,283,000 |
| 1854 - - - | 50,916,000 |

The progression of these amounts, founded as they seem to be on the best available data, will not fail to suggest very forcibly the necessity of making ample allowance for the extended demands for Gold and Silver Coinage, as one of the first consequences of increasing Population, increasing Trade, and increasing Production.

## III.

The Table (C.) presents, in an abstract form, and expressed in Millions sterling, a series of valuable returns, compiled with great care year by year for the Merchants' Magazine, published in New York by Mr. Freeman Hunt—a name well and honourably known, not only in America, but throughout Europe, as that of an able and diligent observer.

The Table sets forth the progress of Banking in the whole of the States of the Union, on the first day of each year during the forty-three years 1814–56, so far as the condition of the Banks can be ascertained from the Returns which have been from time to time required by the laws of the several States.

It is not pretended that for all the years the information is complete, or perfectly accurate. But it may be confidently assumed that, both in completeness and correctness, there is an improvement year by year. Since 1840, it is highly probable that the figures are practically very near the truth.

The most important columns of the Table are those which show —

(1.) The number of Banks (col. 4.).

(2.) The amount of the Circulation of Notes (col. 6.).

(3.) The amount of the Deposits held by the Banks (col. 7.).

(4.) The amounts of the Discounts and Advances by the Banks (col. 9.).

(5.) The amount of the Cash Reserve held against Liabilities (col. 11.).

And (6.) The proportion borne by the Circulation to the Cash Reserve (col. 13.).

Combining these six tests, it appears that the epochs of American Banking have been,—

(1.) The six years 1835–40, during which time the Banks were raised from 506 to 907 in number; the Circulation from 14 to 26 Millions; the Discounts from 66 to 106 Millions; and the proportion of Reserve to Circulation was reduced from

100*l.* Specie to 270*l.* Circulation,—to 100*l.* Specie to 400*l.* Circulation.

(2.) The four years 1841–44, during which time there prevailed the violent reaction from the previous excitement. The number of Banks *fell* from 907 to 691; the Circulation from 26 to 10 Millions; the Discounts from 106 to 60 Millions; the Specie *rose* from 6 to 10 Millions; and the proportion of Reserve to Circulation rose also from 1 to 4,—to as high as 1 to 1·3.

(3.) The five years 1845–49, during which the Banks continued gradually to extend and improve. The number of Banks rose from 700 to 782; the Circulation from 13 to 21 Millions; the Discounts from 60 to 74 Millions; the Specie remained stationary at about 8 Millions; but the proportion of Reserve to Circulation became 1 to 2·4—instead of 1 to 1·3.

(4.) The seven years 1850–56, during which the Banks, all over the Union, have been rapidly augmented by the increased resources and increased trade arising out of the Gold Discoveries. The number of Banks has increased even more rapidly than in 1835–39. The increase has been from 800 to 1300; the Circulation has increased from 21 to 35 Millions; the Deposits from 18 to 48 Millions—a result more remarkable than any other in the Table; the Discounts from 74 to 140 Millions; the Specie from 8 to 12 Millions; and the proportion of Reserve to Circulation from 1 to 2·4—to 1 to 3·4.

It is obvious on the face of this statement that, as regards these seven years 1850–56, the strength and progress of the Banks has been chiefly derived from that increase in the business of the Country, which has enabled the public to raise the Deposits from 18 to 48 Millions sterling—or very nearly 200 per cent.; and in the next place, from those larger supplies of Gold which has enabled the Banks to increase their Specie Reserves from 8 to 12 Millions.

## IV.

We may learn something of the increase of business since 1849 from the details in Table (D.), by which we find that the value of the Imports of merchandise into the United States has risen from 30 Millions sterling to 50 Millions.

But we may learn still more of the present condition of the Banks of the United States early in 1856 by means of the

two following Statements (I.) and (II.), framed for the purpose of tracing the distribution of the Banks in the leading districts of the Union; and also for the purpose of ascertaining the *average* amount of the capital and resources wielded by the individual Banks.

The Total Number of 1273 Banks appearing to be in existence on 1st Jan. 1856, includes Head Offices *and* Branches — in other words, there were 1273 *Banking Offices*, rather than separate Banks, in existence on the day named. In truth, however, the American Banks have but few Branches, and very nearly the whole of the 1273 were separate and independent concerns.

(I.) BANKS (*Head Offices and Branches*) OF THE UNITED STATES, 1*st Jan.* 1856.—*STATEMENT of the Aggregate AMOUNT of the leading Items of LIABILITIES and ASSETS of the BANK of NEW YORK, State and City; of MASSACHUSETTS; and of the REST OF THE UNION.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| No. of Banks. | Districts. | Liabilities. | | | Assets | | Proportion of Specie to Deposits and Circulation. |
| | | Capital paid up. | Deposits. | Circulation. | Discts. and Advances. | Specie. | |
| No. | | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | p. cent. |
| 51 | New York, City - | 11·0 | 18·0 | 1·7 | 21·0 | 2·4 | 12·1 |
| 245 | New York, Country - | 8·0 | 4·0 | 4·7 | 15·0 | 0·6 | 7·0 |
| 296 | *Totals* - - | 19·0 | 22·0 | 6·4 | 36·0 | 3·0 | 10·5 |
| 35 | Boston, City - | 6·4 | 4·0 | 1·5 | 10·6 | 0·7 | 12·7 |
| 145 | Massachusetts, Country - | 5·8 | 2·0 | 2·1 | 9·4 | 0·2 | 4·9 |
| 180 | *Totals* - - | 12·2 | 6·0 | 3·6 | 20·0 | 0·9 | 9·4 |
| 797 | Rest of Union - | 35·9 | 20·0 | 25·4 | 84·0 | 8·1 | 17·8 |
| 1273 | *General Totals* | 67·1 | 48·0 | 35·4 | 140·0 | 12·0 | 14·4 |

NOTE.—The *five* unit figures are omitted: thus, 11·0 represents 11,000,000*l.* Dollars have been converted at 5 p. £.

(II.) *Average Amounts of Liabilities and Assets, as regards Each Bank of the several Districts included in the preceding Table* (I.)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| No. of Banks. | Districts. | Liabilities. (*Average.*) | | | Assets. (*Average.*) | | Proportion of Specie to Deposits and Circulation. |
| | | Capital paid up. | Deposits. | Circulation. | Discts. and Advances. | Specie. | |
| No. | | £ | £ | £ | £ | £ | per cent. |
| 51 | New York, City - | 216, | 353, | 33, | 411, | 47, | 12·1 |
| 245 | New York, Country - | 32, | 16, | 19, | 61, | 2, | 7·0 |
| 296 | *Average* - | 64, | 74, | 21, | 122, | 10, | 10·5 |
| 35 | Boston, City - | 183, | 114, | 43, | 303, | 20, | 12·7 |
| 145 | Massachusetts, Country - | 40, | 14, | 14, | 65, | 1, | 4·9 |
| 180 | *Average* - | 62, | 33, | 20, | 111, | 5, | 9·4 |
| 797 | Rest of Union - | 45, | 25, | 32, | 105, | 10, | 17·8 |
| 1273 | *General Average* | 52, | 38, | 28, | 109, | 10, | 14·4 |

Note.—In this Table (II.) the *three* unit figures are omitted; thus, 32, represents 32,000*l.* The larger amounts appearing in Table (I.) admitted of the construction of *that* table in Millions and Decimals; but a similar notation would be inapplicable to the above Table (II.)

The general result of the *Average* amounts presented by Table (II.) is as follows:—

*Total Average Amount of Resources of United States Banks, January,* 1856.

| Banks in | Paid up Capital. £ | Circln. and Deposits. £ | Total. £ |
|---|---|---|---|
| New York, City - | 216,000 - | 386,000 - | 602,000 |
| „ Country - | 32,000 - | 35,000 - | 67,000 |
| Boston, City - | 183,000 - | 157,000 - | 340,000 |
| Massachusetts, Cntry. | 40,000 - | 28,000 - | 68,000 |
| Rest of Union - | 45,000 - | 57,000 - | 102,000 |

These Average amounts must be regarded as highly satisfactory.

In each of the five groups of Banks the paid-up Capital is rather excessive than deficient. It is possible certainly, that some of the old devices for constructing false Bank Returns, once so prevalent in the United States, may still survive, and give an undue appearance of strength. But even such a process could not be carried so far with 1273 separate concerns as to fatally vitiate the average result of the whole.

According to the estimates already given in Appendix X., (pages 601–5. *antè*), of the amount of funds wielded by the Country Banks and London Banks of the United Kingdom, the comparison between British and American Banking in 1856 would stand as follows — considering Boston and New York *together* as Metropolitan Centres.

(III.) *Comparative Estimated* STATEMENT *of the* AGGREGATE RESOURCES *of British and American* BANKS *in* 1856.

| Details. | U. Kingdom. Mlns. £ | *U. States.* Mlns. £ |
|---|---|---|
| METROPOLITAN BANKS: — | | |
| 50 Private and Joint Stock Banks in *London*, with average total Resources of paid-up Capital and Deposits of, say, two Millions sterling | 100 | – |
| 50 Banks in *New York* average 600,000*l.*; and 35 Banks in *Boston* average 340,000*l.* - - | – | 43 |
| COUNTRY BANKS: — | | |
| 1500 Bank Offices in United Kingdom (excluding London), at an average of 100,000*l.* each - | 150 | – |
| 1200 Bank Offices in United States (excluding New York City and Boston), at an average of 90,000*l.* | – | 107 |
| | 250 | 150 |
| BANK OF ENGLAND: — | | |
| Amount of Circulation, Deposits, and Rest - - - - - | 40 | – |
| | 290 | 150 |

Note. — The population of New York City in 1856 may be taken at 800,000 persons; and of Boston City at 200,000 persons. The total population of London in 1856 may be taken at 3,000,000 persons. The Total Free Population of the United States in 1856 was quite 21,000,000 persons. The Total Population of the United Kingdom was 27,000,000 persons. — Excluding the Metropolitan Banks and Metropolitan Centres in both countries, there appears to be for the rest of each country about 1 Bank to every 16,000 inhabitants. But the great Banking District is comprised in the Six New England States of

| | | |
|---|---|---|
| Massachusetts, | Rhode Island, | New Jersey, |
| New York, | Connecticut, | New Hampshire. |

Out of the 1300 Banks in the Union, no less than 700 are in these Six States; and as the aggregate Population of the Six States is no more than 6,000,000 persons, there is 1 Bank to less than 9000 inhabitants.

The remaining 15,000,000 inhabitants of the Union have 600 Banks, or 1 Bank to nearly 30,000 persons.

But it is a suggestive circumstance that the 700 New England Banks have only 15,000,000*l.* of Note Circulation, while the 600 remaining Banks have 20,000,000*l.* of Total Circulation. In other words, the competition of the Banks does not *increase* but *lessens* the Circulation.

In general terms, therefore, the *Total* amount of Funds administered by the British Banks is *twice* the amount administered by the American Banks; but the preponderance arises wholly from the exceeding magnitude of the London Banks, and from the large resources of the Bank of England.

In both countries the *Country* Banks are nearly on the same average levels.

The States of New York and Massachusetts are the great centres of Banking. Even in Pennsylvania the Banks are only about seventy in number.

The very small amount — $1\frac{3}{4}$ Millions — of Circulation in New York City is remarkable; and the same remark applies to the Circulation of $1\frac{1}{2}$ Millions of Boston. Since the Sub-Treasury Measure of Ten years ago, the Receipts and Payments of the Federal Government have been effected almost wholly by Coin at the Sub-Treasury offices at New York and elsewhere.

In New York there has been a Daily Clearing House since October, 1853, and in Boston since March, 1856. These Clearings must have very materially strengthened the checks against excessive trading on the part of the Banks; but it is by no means ascertained that in the country parts of the Union, the exchanges among the Banks are so effective or frequent as they ought to be.

The results of the New York Clearing House are given in Table (E.) for the three years 1854–56. The Total Sums cleared are about 4 Millions sterling per *Day*.

In 1810, the Totals of the London Clearing House were

officially reported as 4½ Millions per Day; but since that time there has been no complete return.

In the Second Report of the Committee on Banks of Issue (1841; Parl. Pr. 320 a.), a Return was given of the business of the London Clearing House in 1839; and the facts in that Return have been exhaustively analysed by Mr. Babbage, in a Paper in the Statistical Journal for 1856. The *Daily* Clearing in 1839 is given as about 3 *Millions* sterling, or 1½ Millions *per day* less than 1810; and 1 Million *per day* less than the New York Clearing of 1854–56. The discrepancy in these results is apparently excessive; for it is difficult to suppose that the London transactions of 1839 were one third less than the London transactions of 1810, and one fourth less than the New York transactions of 1854–56. It is probable that the apparent discrepancy would disappear if the process of the London Clearing House could be fully explained; but of that result there appears to be no great probability.

## IV.

The only remaining Table attached to this Appendix is Table (D.), which gives the returns of the United States Custom House of the Import and Export Trade with Great Britain, France, Spain, Hanse Towns, and Rest of the World, for the period 1835–55. Since 1848, the Total Imports into the United States have doubled in value (29 to 60 Millions sterling); and the Imports from the United Kingdom and its Dependencies have increased nearly threefold (13 to 31 Millions).

---

(A.) *Silver Coinage of the United States*, 1792—1853.

The Act of 1853, entitled "An Act emendatory of the existing Laws relative to the *Half-Dollar*, *Quarter-Dollar*, *Dime*, and *Half-Dime*," passed 21st February, 1853, came into force 1st June, 1853; and was intended to increase the Circulation of Small Silver Coins. The *Half-Dollar* was to be 192 grs.; *Quarter-Dollar* 96 grs.; *Dime* 36·4 grs.; and *Half-Dime* 19·2 grs. The provisions of the Act are —

Sect. 2. — That the above-named Coins shall be legal tender for five dollars.

Sect. 4. — That the above Coins shall be paid out of the Mint for *Gold* at *par*.

Sect. 6. — That Gold or Silver, fine or standard, may be cast into *Bars* by the Mint; the weight to be not less than 10 ounces. Bars of less weight must be *fine* gold or silver. Half per cent. to be charged for coining such Bars.

Sect. 7. — That there shall be a Gold Coin of Three Dollars according to the standard and weight prescribed by the law of March, 1849.

Under the law of February, 1853, all Silver Coins are of the same purity, namely, 9 parts pure, and 1 alloy. The weights are as follows: —

| | Act of Jan. 1837. | Act of Feb. 1853. |
|---|---|---|
| Silver Dollar - - | 412½ grs. | 412½ grs. |
| „ Half-Dollar - | 206¼ | 192 |
| „ Quarter-Dollar | 103⅛ | 96 |
| „ Dime - - | 41¼ | 38·40 |
| „ Half-Dime - | 20⅝ | 19·20 |
| | Act of 1850. | |
| „ Three Cent piece | 12 grs. | 11·52 grs. |

The new weights of 1853 are about 7 per cent. less than the former weights of 1837.

Under the Act of April, 1792, the *Gold Eagle*, rated as a Ten Dollar piece, was ordered to weigh 270 grains, of which 247·5 grains were to be Pure Gold: hence the Standard of the Eagle (and its Halves and Quarters) was the same as the Standard of the British Gold Coins, viz. 22 carats. The Sterling Value of the Eagle of Ten Dollars was 43*s.* 9·65*d.*; and the Dollar in Gold was equal to 52·56*d.* sterling, or equal to 4·56 Dollars per £.

In June, 1834, the intrinsic value of the Gold Eagle was reduced by the quantity of pure Gold being diminished from 247·5 grains to 232 grains; and the sterling value of the Dollar in Gold fell to 49·08*d.*, or equal to 4·89 Dollars per £.

The Act of 1834 also authorised the Gold Coins of Great Britain, Portugal, and Brazil, to be current in the United States at certain prescribed rates of valuation in United States Coinage.

The Act of 1792 ordered the *Silver Dollar* to weigh 416 grains, of which 371·25 grains were Pure Silver; and at 60*d.* per ounce, the value in sterling of the Silver Dollar was 50·12*d.*, or equal to 4·79 Silver Dollars per £.

In 1837, the intrinsic value of the *Silver Dollar* was reduced to a small extent.

In 1853, the Dollar (whole) was left as authorised in 1837; but the Silver Coins of less than a Dollar were reduced in intrinsic value so as to render them a mere Token Coinage, with the view of excluding from Circulation the Small Bank Notes current in some of the States.

(B.) *Gold and Silver Coin in Circulation in the United States in 1820, 1849, and 1854.*

The following *Statement* is compiled from an Official Paper, prepared in 1854, by Mr. Crawford, the Secretary of the United States Treasury, relative to the Quantity of Gold and Silver Coin in Circulation in the United States in 1820, '49, and '54:—

| | | £ |
|---|---|---|
| Specie in United States in 1820 - - - | | 7,400,000 |
| Add, — | | |
| Produce of Mines, 1820—1848 - - - | | 7,541,000 |
| | | 14,941,000 |
| Imports, 1820—1848 - - | £50,434,000 | |
| Exports, „ - - | 36,092,000 | |
| | | 14,342,000 |
| Specie in United States, 1st Jan. 1849 | | 29,283,000 |
| Add, — | | |
| Produce of Mines, 1st Jan. '49 — 1st Jan. '54 | | 38,872,000 |
| Imported - - - - - - - - | | 5,301,000 |
| | | 73,456,000 |
| Deduct, — | | |
| Exported - - - - - - - - | | 22,540,000 |
| Specie in United States, 1st Jan. '54 | | £50,916,000 |

These figures do not include 6,000,000*l.* of Gold and Silver Coin estimated to have been brought into the United States by Immigrants from 1840 to 1853.

Of the 50 Millions sterling of Gold and Silver Coin as above, 12 Millions is in deposit in the various Banks; and $5\frac{1}{2}$ Millions is in the National Treasury, leaving, say, 33 Millions in Circulation from hand to hand among the public. It would appear that the quantity of Gold and Silver Coin in January, '54, was almost twice as great as in January, '49.

The amount of Bank Notes circulating in the United States early in 1854, was about 37 Millions sterling.

I now introduce the Table (C.) relating to the Banks of the United States, 1814–56, already discussed at pages 739—743. *ante.*

(C.) Banks in the United States—1814 to 1856.—*State-several States of the Union on the 1st January of each of*

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| Due to Proprietors for | | | No. of Banks and Branches. | On 1st January. | Lia- |
| Capital. | Profits. | Ratio of Profits to Capital. | | | Circulation. |
| Mlns. £ | Mlns. £ | per cent. | No. | | Mlns. £ |
| 10·5 | no return. | — | 89 | 1814 | 5·6 |
| 16·4 | „ | — | 208 | '15 | 9·1 |
| 18·0 | „ | — | 246 | '16 | 13·6 |
| 27·2 | „ | — | 308 | '20 | 9·0 |
| 29·0 | „ | — | 330 | '30 | 12·2 |
| 40·0 | 4·4 | 14 | 506 | 1834 | 14·4 |
| 46·2 | 4·4 | 9 | 704 | '35 | 20·1 |
| 50·4 | 7·7 | 15 | 713 | '36 | 26·5 |
| 58·1 | 8·0 | 13 | 788 | '37 | 30·4 |
| 63·5 | 11·5 | 18 | 829 | '38 | 30·8 |
| 65·4 | 6·7 | 10 | 840 | '39 | 34·2 |
| 71·7 | 5·8 | 8 | 907 | 1840 | 26·5 |
| 62·7 | 7·3 | 11 | 784 | '41 | 22·9 |
| 52·0 | 5·4 | 10 | 692 | '42 | 14·4 |
| 45·8 | 4·1 | 9 | 691 | '43 | 10·7 |
| 42·2 | 3·6 | 9 | 696 | '44 | 13·1 |
| 41·2 | 3·6 | 9 | 707 | 1845 | 16·0 |
| 39·4 | 4·5 | 11 | 707 | '46 | 18·9 |
| 40·6 | 3·8 | 9 | 715 | '47 | 18·8 |
| 41·0 | 6·1 | 15 | 751 | '48 | 23·6 |
| 41·5 | 6·9 | 16 | 782 | '49 | 21·2 |
| 43·5 | 5·7 | 13 | 824 | 1850 | 23·8 |
| 45·6 | 6·5 | 14 | 879 | '51 | 28·0 |
| 47·4 | 9·3 | 19 | 992 | '52 | 31·2 |
| 49·9 | 15·8 | 32 | 1098 | '53 | 34·6 |
| 60·3 | 17·2 | 28 | 1208 | '54 | 38·0 |
| 65·2 | 7·9 | 10 | 1182 | 1855 | 33·0 |
| 67·1 | 6·1 | 9 | 1273 | '56 | 35·4 |

Note.—The five figures at the Unit end

*MENT of the ASSETS and LIABILITIES of all the BANKS in the the Years as under. (Compiled from Official Sources ($5=£).)*

| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|
| DILITIES. | | ASSETS. | | | | Circulation for each 100*l.* of Specie. |
| Deposits. | *Total Liabilities.* | Discounts and Advances. | Real Estate. | Specie. | *Total Assets.* | |
| Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | £ |
| no return, | | no return. | | 3·1 | – | 186 |
| ,, | ,, | ,, | ,, | 3·4 | – | 265 |
| ,, | ,, | ,, | ,, | 3·8 | – | 360 |
| ,, | ,, | ,, | ,, | 3·9 | – | 264 |
| ,, | ,, | ,, | ,, | 4·4 | – | 300 |
| 15·1 | 29·5 | 66·3 | 2·2 | 5·3 | 73·9 | 270 |
| 16·6 | 36·7 | 76·4 | 2·2 | 8·3 | 87·4 | 229 |
| 23·0 | 49·5 | 96·8 | 2·8 | 8·0 | 107·6 | 332 |
| 25·5 | 55·9 | 110·6 | 3·8 | 7·6 | 122·0 | 403 |
| 16·9 | 47·7 | 108·9 | 6·8 | 7·0 | 122·7 | 438 |
| 18·0 | 52·2 | 112·1 | 3·3 | 9·0 | 124·4 | 379 |
| 15·2 | 41·7 | 106·7 | 5·8 | 6·6 | 119·1 | 400 |
| 14·0 | 36·9 | 93·1 | 6·9 | 7·0 | 107·0 | 330 |
| 12·5 | 26·9 | 72·0 | 6·7 | 5·7 | 84·4 | 254 |
| 11·2 | 21·9 | 60·6 | 4·6 | 6·7 | 71·9 | 159 |
| 16·9 | 30·0 | 61·3 | 5·1 | 10·0 | 76·4 | 133 |
| 17·6 | 33·6 | 65·2 | 4·4 | 8·8 | 78·4 | 181 |
| 19·4 | 38·3 | 70·0 | 3·8 | 8·4 | 82·2 | 225 |
| 18·8 | 37·1 | 71·3 | 4·2 | 7·0 | 82·5 | 207 |
| 20·6 | 44·2 | 77·8 | 4·1 | 9·3 | 91·2 | 255 |
| 18·2 | 39·4 | 74·5 | 4·7 | 8·7 | 87·9 | 244 |
| 21·9 | 45·7 | 81·7 | 4·1 | 9·1 | 94·9 | 262 |
| 25·8 | 53·8 | 92·1 | 4·0 | 9·7 | 105·8 | 288 |
| 32·4 | 63·6 | 105·6 | 4·2 | 10·6 | 120·4 | 294 |
| 35·8 | 70·4 | 120·8 | 4·3 | 10·9 | 136·0 | 318 |
| 37·6 | 75·6 | 136·8 | 4·5 | 11·9 | 153·2 | 320 |
| 41·4 | 74 4 | 131·6 | 4·4 | 11·5 | 147·5 | 286 |
| 48·0 | 83·4 | 140·0 | 5·0 | 12·0 | 157·0 | 338 |

are omitted: thus, 10·5=10,500,000.

(D.) UNITED STATES.—*IMPORTS and EXPORTS, 1835–54, according to CONGRESS; excluding Gold and Silver Coin and Bullion Exported Exports.—The Years ended on 30th September till 1842 — after-*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Years ended 30th Sep. | Great Britain and Dependencies. | | France and Dependencies. | | Spain and Dependencies. | | Hanse |
| | *Imports* from. | Exports to. | *Imports* from. | Exports to. | *Imports* from. | Exports to. | *Imports* from. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1835 | 13·2 | 12·0 | 4·7 | 4·1 | 3·1 | 1·4 | ·7 |
| '36 | 17·2 | 12·9 | 7·4 | 4·3 | 3·9 | 1·6 | 1·1 |
| '37 | 10·5 | 12·2 | 4·5 | 4·0 | 3·8 | 1·5 | 1·1 |
| '38 | 9·8 | 11·8 | 3·6 | 3·2 | 3·2 | 1·5 | ·6 |
| '39 | 14·3 | 13·6 | 6·6 | 3·8 | 3·8 | 1·5 | 1·0 |
| 1840 | 7·8 | 14·1 | 3·6 | 4·5 | 2·8 | 1·5 | ·5 |
| '41 | 10·2 | 12·5 | 4·8 | 4·4 | 3·3 | 1·4 | ·5 |
| '42 | 7·7 | 10·5 | 3·4 | 3·7 | 2·4 | 1·3 | ·4 |
| Ended 30th June. 1843 (9 mos. for '43.) | 5·8 | 9·4 | 1·6 | 2·5 | 1·4 | ·8 | ·2 |
| 1844 | 9·1 | 12·3 | 3·6 | 3·2 | 2·7 | 1·3 | ·4 |
| '45 | 10·0 | 12·2 | 4·4 | 3·2 | 2·1 | 1·6 | ·6 |
| '46 | 9·9 | 12·3 | 4·9 | 3·2 | 2·5 | 1·4 | ·6 |
| '47 | 14·6 | 20·2 | 5·0 | 4·0 | 3·3 | 1·9 | ·7 |
| 1848 | 13·0 | 10·8 | 5·2 | 3·2 | 3·2 | 1·8 | 1·4 |
| '49 | 12·2 | 17·6 | 4·8 | 3·1 | 3·0 | 1·6 | 1·5 |
| '50 | 16·2 | 16·4 | 5·5 | 3·4 | 3·1 | 2·0 | 1·7 |
| 1851 | 20·0 | 20·1 | 6·3 | 4·1 | 4·6 | 2·6 | 2·0 |
| '52 | 19·5 | 22·4 | 5·2 | 3·9 | 4·8 | 2·2 | 1·6 |
| '53 | 27·6 | 25·5 | 6·7 | 4·0 | 5·2 | 2·4 | 2·7 |
| '54 | 31·6 | 26·1 | 7·2 | 6·2 | 5·0 | 3·6 | 3·4 |
| '55 | — | — | — | — | — | — | — |

NOTE.—The five figures at unit end are omitted: thus, 26·0 represents £26,000,000.

*the* COMPUTATIONS *of the* CUSTOM HOUSE SCALE, *and as rendered to and Imported; but with a Supplementary Col. of such Imports and wards on 30th June. Stated in Millions Sterling: $5=£.*

| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
|---|---|---|---|---|---|---|---|
| Towns. | Other Countries. | | TOTALS, *Excluding Coin and Bullion.* | | Coin and Bullion. | | Years ended 30th Sep. |
| Exports to. | *Imports* from. | Exports to. | *Imports* from. | Exports to. | *Imports* from. | Exports to. | |
| Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | |
| ·7 | 5·6 | 4·8 | 27·3 | 23·0 | 2·8 | 1·3 | 1835 |
| ·9 | 5·7 | 5·2 | 35·3 | 24·9 | 2·8 | ·9 | '36 |
| ·7 | 6·2 | 3·9 | 26·1 | 22·3 | 2·0 | 1·2 | '37 |
| ·6 | 2·0 | 3·9 | 19·2 | 21·0 | 3·6 | ·7 | '38 |
| ·6 | 5·6 | ·9 | 31·3 | 20·4 | 1·2 | 3·8 | '39 |
| ·8 | 4·9 | 3·8 | 19·6 | 24·7 | 1·7 | 1·7 | 1840 |
| ·9 | 5·8 | 3·2 | 24·6 | 22·4 | 1·0 | 2·0 | '41 |
| ·9 | 5·3 | 3·6 | 19·2 | 20·0 | 1·9 | 1·0 | '42 |
| ·6 | ·5 | 3·3 | 8·5 | 16·6 | 4·4 | ·3 | Ended 30th June. 1843 (9 mos. for '43.) |
| ·7 | 4·7 | 3·6 | 20·5 | 21·1 | 1·2 | 1·9 | 1844 |
| 1·0 | 5·5 | 3·2 | 22·6 | 21·2 | ·8 | 1·7 | '45 |
| ·9 | 5·7 | 4·1 | 23·6 | 21·9 | ·7 | ·8 | '46 |
| ·9 | ·9 | 4·3 | 24·5 | 31·3 | 4·8 | ·4 | '47 |
| ·8 | 6·8 | 5·0 | 29·7 | 21·6 | 1·3 | 9·2 | 1848 |
| ·6 | 6·6 | 5·1 | 28·2 | 28·1 | ·9 | 1·1 | '49 |
| 1·0 | 8·6 | 5·8 | 34·7 | 28·4 | 1·1 | 2·0 | '50 |
| 1·2 | 9·6 | 6·0 | 42·1 | 34·9 | 1·1 | 8·7 | 1851 |
| 1·3 | 10·6 | 7·0 | 41·5 | 36·9 | 1·1 | 5·0 | '52 |
| 1·6 | 10·4 | 8·0 | 52·5 | 40·7 | 1·1 | 5·3 | '53 |
| 2·4 | 12·0 | 9·0 | 59·2 | 46·6 | 1·0 | 8·6 | '54 |
| – | – | – | 51·6 | 38·5 | 0·7 | 10·8 | '55 |

For the year ended 30th June, 1855, the returns are not complete.

(E.) New York Clearing House, *established October*, 1853. — *Statement of the Total Amounts cleared and of the Balances required to effect the Clearances during each Month from October*, 1853, *to October*, 1856.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Months. | 1854. | | 1855. | | 1856. | |
| | Totals Cleared. | Balances. | Totals. Cleared. | Balances. | Totals Cleared. | Balances. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| Jan. - | 93·1 | 4·6 | 94·4 | 4·6 | 108·9 | 5·7 |
| Feb. - | 89·6 | 4·6 | 76·6 | 4·1 | 108·8 | 5·4 |
| Mch. - | 105·9 | 5·2 | 89·3 | 4·8 | 111·5 | 5·6 |
| Apl. - | 102·4 | 4·9 | 88·3 | 4·8 | 120·7 | 5·4 |
| May - | 116·2 | 5·2 | 97·6 | 5·1 | 133·0 | 6·4 |
| June - | 105·5 | 5·0 | 93·0 | 5·1 | 113·5 | 5·6 |
| July - | 93·8 | 5·3 | 87·7 | 5·4 | 113·3 | 6·1 |
| Aug. - | 91·7 | 5·1 | 91·4 | 5·1 | 109·5 | 5·3 |
| Sep. - | 90·8 | 5·1 | 92·5 | 4·9 | 123·1 | 5·5 |
| Oct. - | 95·8 | 4·9 | 111·4 | 5·4 | — | — |
| Nov. - | 89·4 | 4·4 | 110·7 | 5·1 | — | — |
| Dec. - | 85·4 | 4·4 | 110·6 | 5·2 | — | — |
| | 1159·6 | 62·7 | 1143·5 | 59·6 | | |

Note. — The five unit figures are omitted: thus, 93·1 represents 93,100,000*l*.

The New York Clearing House was established and came into operation in the second week of October, 1853, and was joined by 51 Banks in New York. The Balances represented in cols. 3. 5. and 7. of the preceding Table, are the Debtor and Creditor Balances appearing on each day's clearing, during the whole of each month. At a prescribed Hour (1 p. m.) the Banks against whom there are *Debtor* Balances, pay the amount of such Balances to the Manager of the Clearing House, either in Coin or in Bank Certificates exchangeable into Coin, and employed as a means of avoiding the carrying of Coin to and from the Clearing House. At the same Hour the Manager pays to the Creditor Banks the Balances due to them; and the two operations adjust each other.

A Clearing House was established in Boston (U.S.) at the end of March, 1856, and was joined by all the Banks (35) in that City. For the eight months ended 30th November, 1856, the Total Clearings of the Boston Clearing House were 212 Millions sterling, or an average of 26 Millions per month.

(F.) SUB-TREASURIES OF UNITED STATES. — *STATEMENT of AMOUNT of FUNDS (Gold and Silver) in the several SUB-TREASURIES, the Produce of Customs Duties and Taxes, and subject to the Drafts of the United States Treasury, on 26th June, 1851, '52, '53, and 54, or at the close of each Fiscal Year, and after paying the Interest on the National Debt.*

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| TREASURIES. | 1854. | 1853. | 1852. | 1851. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| New York - - - | 1·68 | 1·40 | ·71 | ·36 |
| Boston - - - | ·87 | ·45 | ·19 | – |
| Philadelphia, Treasury & Mint | 1·73 | 1·58 | 1·38 | 1·48 |
| New Orleans - - - | ·42 | ·34 | ·19 | ·22 |
| | 4·70 | 3·77 | 2·47 | 2·06 |
| 25 other Sub-Treasuries - | 1·08 | ·81 | ·73 | ·54 |
| | 5·78 | 4·58 | 3·20 | 2·60 |

NOTE.—The four unit figures are omitted: 1·68 represents 1,680,000*l.*

This Table is interesting as showing not merely the increasing produce of the Customs Duties in the United States, but also as showing the extent of the Metallic Reserves held by the Sub-Treasuries at New York and Boston, quite independent of and separate from the Metallic Reserves held by the Banks.

The Sub-Treasuries were established in 1846 as the result of the protracted discussion relative to a Central Bank for the United States;—and their single purpose is to serve as places of safe deposit for the Cash Balances belonging to the Federal and State Governments.

N.

# APPENDIX XXV.

CALIFORNIA.—POPULATION AND PROGRESS AS SHOWN BY THE TWO CENSUSES OF JUNE, 1850, AND NOVEMBER, 1852.

THE three following Tables, (A.), (B.), and (C.), will better illustrate the condition of San Francisco and California generally, during the first four or five years subsequent to 1848, than any efforts at description.

In June, 1850, the Total White Population was nearly 100,000; and 75 per cent. of that population were between the ages of 20 and 40; and at those ages the number of *Females* to Males was represented by the frightful proportion of 4 females to 100 Males.

Here, then, was a population composed almost wholly of Male Adults at those ages — 20 to 40 — when the energies and passions are most active, and almost wholly unrestrained by any of the duties claimed by infancy and old age, or by the respect due to the presence of women.

In November, 1852, the Total White Population had risen to 170,000 — nearly double the population of June, 1850. But the proportion of Adults was still about 75 per cent., and the number of Adult *Females* to Adult Males was still little more than 4 to 100.

In a Society so composed the prevalence of the most violent forms of excitement and passion were inevitable.

(A.) CALIFORNIA. — *CENSUS OF JUNE*, 1850.

(1.) TOTAL POPULATION.

| | Persons. | Persons. |
|---|---|---|
| White Males — all ages - - - | 84,700 | |
| „ Females „ - - - | 6,900 | |
| | | 91,600 |
| Free coloured Males of all ages - | 870 | |
| „ Females „ - - | 90 | |
| | | 960 |
| | | 92,560 |

## CALIFORNIA. — *CENSUS OF JUNE*, 1850 — *continued.*

### (II.) AGES OF POPULATION.—*PER-CENTAGES: Proportions borne by Persons of the Ages given to the Total Population.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| CALIFORNIA 1850. (Persons.) | | UNITED STATES, 1810-50. | | | | GREAT BRITAIN, 1851. | | |
| | AGES. | Males. | | *Females.* | | AGES. | Males. | *Females.* |
| P. cent. of Total Population. | | 1840. | 1850. | 1840. | 1850. | | | |
| p. ct. | | p. ct. | p. ct. | p. ct. | p. ct. | | p. ct. | p. ct. |
| 6·5 | 0—15 | 33·8 | 40·6 | 34·6 | 31·3 | } 0—20 | 46·1 | 44·1 |
| 5·9 | 15—20 | 10·4 | 10·3 | 11·4 | 11·4 | | | |
| 50·6 | 20—30 | 18·2 | 18·6 | 18·1 | 18·4 | } 20—40 | 30·7 | 31·2 |
| 24·5 | 30—40 | 12·0 | 12·8 | 11·2 | 11·8 | | | |
| 8·7 | 40—50 | 7·4 | 8·4 | 7·2 | 7·8 | 40—60 | 16·5 | 16·8 |
| 96·2 | | 81·8 | 90·7 | 82·5 | 80·7 | | 93 3 | 92·1 |
| 3·8 | 50 and above | 18·2 | 9·3 | 17·5 | 19·5 | 60—100 | 6·7 | 7·9 |
| 100·0 | | 100· | 100· | 100· | 100· | | 100· | 100· |
| 954·4 | All Ages. Per Cent. of *Males* to 100 *Females.* | 104·6 | 105·2 | – | – | | 96·7 | – |

NOTE.—This Table may be read as follows:—In 1850 in California 6·5 per cent. of the total population were of the ages 0—15; and there were 954·4 *males* to 100 *females*. In the *United States*, at the Census of 1840, 33·8 per cent. of the *male* population, and 34·6 of the *female* population, were of the ages 0—15. In *Great Britain*, at the Census of 1851, 46·1 per cent. of the *male* population, and 44·1 per cent. of the female population, were of the ages 0—20. The proportions, therefore, of Males and Females of 0—20, in the United States in 1840, and in Great Britain in 1851, did not present any remarkable difference. But in California, in 1850, the proportion of 6·5 per cent., at the ages 0—15 was only *one-sixth* of the proportion at ages 0—15 in the United States. In other words, nearly the whole of the Californian population was composed of adults.

(III.) *Proportion of* FEMALES *to* MALES *at Various Ages.— Per-Centage of* FEMALES *to* 100 MALES.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| CALIFORNIA. 1850. | Ages. | UNITED STATES. | | GREAT BRITAIN. | | |
| | | 1840. | 1850. | Ages. | 1841. | 1851. |
| per cent. | | p. ct. | p. ct. | | p. ct. | p. ct. |
| 74·0 | 0—15 | 95·0 | 96·0 | 0—20 | 99·5 | 98·8 |
| 19·1 | 15—20 | 104·8 | 104·4 | | | |
| 3·5 | 20—30 | 94·8 | 94·1 | 20—40 | 106·3 | 105·2 |
| 4·5 | 30—40 | 90·0 | 87·5 | | | |
| 6·0 | 40—50 | 93·6 | 89·1 | 40—60 | 105·9 | 105·6 |
| 20·0 | 50 & above. | 110·0 | 107·0 | 60 & above. | 124·6 | 129·8 |

NOTE.— This Table may be read thus:— In 1850, in California, at the ages 0—15, there were 74·0 *females* to 100 males of those ages. In 1840, in the *United States*, at ages 0—15, there were 95·0 females to 100 males. And in *Great Britain*, 1841, at ages 0·20, there were 99·5 females to 100 males.

At ages 20—40 there were, in 1840, in the United States, say, 93 *females* to 100 males; and in 1841, in Great Britain, 106·3 *females* to 100 males. But in California, in 1850, at ages 20—40, there were only, say, 4·0 *females* to 100 males.

While, therefore, at the ages of full development (20—40), the proportion of *females* to males was a little deficient (93 to 100) in the United States, and materially in excess (106 to 100) in Great Britain, the relative numbers in California (4 to 100), in 1850, were frightfully disproportionate.

(B.) CALIFORNIA. — *State Census.* — *November*, 1852.

| | Persons. | |
|---|---|---|
| White Males — all ages - - - | 141,050 | |
| „ Females „ - - - | 30,790 | |
| | | 171,840 |
| Black Males „ - - - - | 1,400 | |
| „ Females „ - - - - | 280 | |
| | | 1,680 |
| Mulatto Males „ - - - - | 450 | |
| „ Females „ - - - - | 80 | |
| | | 530 |
| Indians, domesticated, Males - - | 18,000 | |
| „ Females - - | 13,000 | |
| | | 31,000 |
| Foreign Residents, Males - - | 40,000 | |
| „ Females - - | 14,000 | |
| | | 54,000 |
| | | 269,050 |

London, Longman & Co.

Ages. 1 White Males over 21, — 92,000, or 65·0 per cent. of White Males of all ages.

Ages. 1 Foreign resident Males over 21, — 35,000, or 20·0 per cent. of all ages.

California State is set forth as divided into 33 Counties, and these the following Eight Counties are returned with a population of more than 10,000 persons each, viz. —

| County. | White Males. | White Females. | Total of all Colours. |
|---|---|---|---|
| San Francisco | 30,000 | 5,300 | 36,200 |
| Calaveras | 17,000 | 1,000 | 20,000 |
| Nevada | 12,500 | 900 | 20,500 |
| Placer | 6,600 | 300 | 11,000 |
| Sacramento | 9,400 | 1,700 | 12,400 |
| Ticolumne | 16,000 | 900 | 17,600 |
| Juba | 16,000 | 600 | 20,000 |
| Eldorado | 40,000 | 1,000 | 45,000 |
| | 147,500 | 11,500 | 182,700 |

Proportion of *Females* to Males 7·7 to 100.

It was estimated that the men engaged as working miners were about 100,000. The class of small farmers, and the agricultural population generally, increased considerably during 1853.

(C.) California, *Nov.* 1852.— *Official Statements of Produce, &c.*

The following Statements are also made by the Secretary of State of the Colony relative to the Productions and Capital of the State at the close of 1852 :—

(I.) *Agriculture.*

Acres of Land under Cultivation, *No.* 110,748.

| | | Bush. |
|---|---|---|
| Produce. — | Wheat | 271,000 |
| „ | Barley | 2,973,000 |
| „ | Oats | 100,000 |
| „ | Potatoes | 1,393,000 |
| „ | Indian Corn | 62,000 |

(II.) *Live Stock.*

| | No. |
|---|---|
| Fat Cattle | 315,000 |
| Cows | 104,000 |
| Working Oxen | 30,000 |
| Horses | 65,000 |
| Mules | 16,000 |

(iii.) *Mining.*

Number of Quartz Mills 108.

| | £ |
|---|---|
| Capital invested in Quartz Mining - | 1,175,000 |
| „ „ Placer Mining - | 835,000 |
| „ „ Other kinds of Mining | 770,000 |
| Capital invested in General Business other than Mining - - - - | 8,212,000 |

A Branch Mint of the United States—the Chief Mint being at Philadelphia—was established at San Francisco in June, 1854; and to the close of 1855, that is, a year and a half, the Coinage of Gold had been 6½ Millions sterling; but the Coinage of Silver had been only 34,000*l.*

There are six Mints in the United States, viz.,—Philadelphia, established in 1793; New Orleans, Charlotte, and Dahlonega, 1838; and San Francisco, 1854. The Assay Office at New York was established in 1854.

N.

# APPENDIX XXVI.

INCREASED PRODUCTION OF SILVER. — PRODUCE OF GOLD AND SILVER IN RUSSIA, AND IN CHINA, AND OTHER PARTS OF ASIA. — QUICKSILVER, AND SILVER MINING. —EXTENSIVE SUPPLIES OF QUICKSILVER SINCE 1849, FROM THE NEW MINES DISCOVERED IN CALIFORNIA.

THERE have been discovered, in California, Mines of Quicksilver so rich, that it seems to be probable that already an important and permanent reduction has taken place in the price of this important adjunct in all operations for the extraction of Silver, and also of Gold.

The Quicksilver Mine of New Almaden was discovered in 1850, at a place in Santa Clara County, about sixty miles south of San Francisco. In the summer of 1854, two other Quicksilver Mines in the valley of San Jose, not far from the New Almaden, were discovered; and the metal is reported as of fine quality, and easily worked. To the close of 1854, the Californian Quicksilver is said to have been almost wholly consumed in the Silver Mines of Mexico, Peru, and Chili. Some small parcels had been sent to China. But the New Almaden Metal has gradually come into competition with the Quicksilver better known in commerce as the produce of the Spanish Mines; and a considerable fall of price has been the consequence.

The Trade Circulars of San Francisco state the Exportation of Quicksilver in Flasks of 80 lbs. each, as follows: —

*EXPORT of QUICKSILVER from California.*

| Years. | Flasks of 80 lbs. each. | lbs. |
|---|---|---|
| 1853 | 18,800 | 1,504,000 |
| '54 | 21,000 | 1,680,000 |
| '55 | 29,000 | 2,320,000 |

In 1856, it is probable that the Export would be 3,000,000 lbs., or *double* the Exports of 1853. This is a quantity which seems

to justify the statements of Californian writers, to the effect, that California will shortly supply the whole world with Quicksilver.

In the Table (A.) annexed, I give the Imports and the Exports of Quicksilver as regards the United Kingdom, for the Fifteen Years 1841–55. I regret that, even after considerable pains, I have not been able to ascertain the price per lb. in London in June in each year for more than the latter half of the period, namely, 1849–55. The article was for some time retained in a few hands, and is not easily traced in the ordinary prices-current. It is clear, however, that since 1850, the price in London has been reduced more than 50 per cent., or from 50*d.* per lb. to 22*d.*

In the second division of Table (A.), there appear to be very distinct traces of the effect of the supplies of Californian Quicksilver in Mexico, Chili, and Peru, subsequent to 1849. Prior to that year, the South American Silver Mines appear to have been in a great measure supplied by re-exports of Quicksilver from this country. But with 1850–51, the re-exportation became almost extinguished. At the same time, however, a re-export trade in Quicksilver was opened with Russia, and with India and China; and the quantities sent to those countries has progressively increased.

The facts, therefore, seem to fully justify the inference, not merely that the South American Silver Mines, during the last five or six years, have been abundantly supplied with Quicksilver at one half or one third its former cost; but also that the reduction in the price of the article has led to its application to mining purposes in Russia and China.

But not only would it appear that the production of Silver has been greatly extended since 1849, by the important fall in the price of Cinnabar; but there have been several reports during the last five or six years of the discovery of new Silver Mines in various parts of South America. For example, in December, 1854, intelligence reached this country, that in the previous month, a rich Silver Mine had been accidentally discovered in the neighbourhood of a place called Chanoccillo, one of the rich silver districts of Chili, and not far from a station of the Copiapo Railway. The account represented the discovery to have been made by a woodman, who, while cutting wood on the hills, struck a hard substance with his axe, and laid bare a vein of nearly solid silver. Other veins were

found in close proximity, and a great crowd of explorers had been collected.

All commercial enterprise with the Mining Districts of South and Central America has been greatly facilitated by the completion, early in 1855, of the Panama Railway — about 48 Miles in length, running by a tolerably practicable route through the mountains of the narrow isthmus which separates the Atlantic and Pacific Oceans. It is said that the steepest gradients from the summit-level are, on the incline towards the Atlantic, 53 feet per Mile, or about 1 in 100; and on the Pacific side, 60 feet per Mile, or about 1 in 80; and that these gradients are overcome by a locomotive drawing a moderate load. At the Panama terminus there is a pier 350 feet in length, so constructed that vessels and steamers run alongside the Rails at all times of the tide.

Invaded by improvements like these, and no longer in the dilatory hands of Spanish Creoles, the Mining resources of Mexico and South America may be safely considered to have entered upon a new epoch in their history.

## II.

Early in 1856 the first volume of a work *, entitled "De l'Or et de l'Argent," appeared at Paris as the production of a Russian official, attached immediately to the Household of the Emperor. The name of the author, as given on the title-page, is M. N. Tarassenko-Otreschkoff.

The most interesting and important portions of the volume are those which relate to the production of Gold and Silver in European and Asiatic Russia, and in China. On this part of the inquiry the author describes himself as having access to official papers at St. Petersburg.

In the Table (B.) annexed I present a statement, compiled from M. Otreschkoff's volume, of the total and average annual production of Gold and Silver in Russia and China, in periods of years to the close of 1854.

* De l'Or et de l'Argent, leur Origine, &c., par Narcés Tarassenko-Otreschkoff, gentilhomme de la Chambre de S. M. l'Empereur de Russie, Conseiller d'Etat, &c. Paris, 1856. Tome premier, pp. 339. Guillaume and Co.

It appears from this statement the Average Annual Produce in Russia, both of Gold and Silver, has been *diminishing* for some time. For example—

RUSSIA (EUROPEAN and ASIATIC).—*AVERAGE ANNUAL PRODUCE in Groups of Years.*

| Periods. | Gold. | Silver. |
|---|---|---|
| 1825–47 | 1·35 Mlns. Sterl. | 0·17 Mlns. Sterl. |
| '48–50 | 3·37 „ | 0·16 „ |
| '51–54 | 3·08 „ | 0·15 „ |

The adoption by M. Otreschkoff of so long a period as the 23 years 1825–47, somewhat hides from view the real facts of the case as concerns the large production of Gold during the six years 1843–48. But according to details to be gathered from other parts of the volume, it appears that the production of Gold *increased* progressively from 1,700,000*l.* in 1842, to 3,260,000*l.* in 1848; and it then began to *decrease* progressively, until in 1854 the produce was returned as 2,951,000*l.*

The Production of *Silver* in Russia seems to have gradually declined, with scarcely a single interruption, from 150,000*l.* in 1826, to 144,000*l.* in 1854.

In Asia, on the other hand (*excluding* from the list of Asiatic countries the Russian possessions on that Continent, but *including* the Eastern Archipelago) there has been, since 1825, a progressive and considerable increase in the average annual produce, both of Gold and Silver. Thus:—

ASIA (*as stated*).—*AVERAGE ANNUAL PRODUCE in Groups of Years.*

| Periods. | Gold. | Silver. |
|---|---|---|
| 1825–47 | 1·61 Mlns. Sterl. | 0·36 Mlns. Sterl. |
| '48–50 | 2·70 „ | 0·97 „ |
| '51–54 | 3·60 „ | 0·98 „ |

Following chiefly in the path of M. Michel Chevalier (La Monnaie, sec. vii. chap. i.) M. Otreschkoff is disposed to think that the present production of *Gold* in China is about 600,000*l.* per annum, and of *Silver* about 180,000*l.* per annum; and that the present production of *Gold* in Sumatra, Java, Borneo, and the rest of the Archipelago, is about 2,400,000*l.*

He says, that in 1850 Colonel Kowalefski, an Engineer officer, was sent to Pekin by the Russian Government, and reported that the region of the Gold Production in China was in the Western Provinces of the Empire, and seemed to follow the range of the Blue Mountains.

But the Chinese Government are described as imposing every possible impediment to the search for Gold and Silver; and M. Otreschkoff states a strong opinion that under a more enlightened Government China would become a great producing country as regards the Precious Metals.

He says also that, in some of the Russian surface diggings, the work is carried on even for a return so small as about 1*l.* in Gold Dust as the result of dealing with two Tons of earth. But in Siberia, he says, that the proportion is seldom less than 4*l.* as the produce of the same weight of earth.

The general conclusion seems to be, that in Russia, both European and Asiatic, the production of Gold and Silver is gradually decreasing. But that the introduction of any strong and enlightened Government in China would lead to large supplies of both metals from that country.

## III.

In Table (C.) I have compiled from the work of M. Chevalier so often quoted (La Monnaie, sect. v. chap. iii. and iv.), a statement of the Estimated *Annual* Production of Gold and Silver in the several countries of the World in 1800 and 1848.

As regards *Silver*, the general result of the Table (C.) is to show, that in 1848 the Annual Produce in America was about 1 *Million* sterling *less* than in 1800, — viz., 6¼ against 7¼ Millions.

But since 1848, it is certain that the Produce of Silver in South America has very largely increased. M. Leon Faucher estimated that in 1851 the American Production of Silver was 7,680,000*l.*, or nearly 1½ Millions more than in 1848. At the present time (January, 1857), I think we are justified in placing the American Produce of Silver at 10 *Millions* sterling per annum, and the Total Silver Produce of the World at not less than 12 Millions per annum, or nearly double the annual produce in 1848.

The statement in Table (D.) throws some light on this subject.

We find there that the estimated imports of Silver into the United Kingdom have risen from 4,200,000*l.* in 1852, to 5,500,000*l.* in 1856; and there has been a large consumption for Coin and other purposes in the United States.

The details in Table (D.) are exceedingly interesting at this time. It has been constructed from the details published by the Economist, and by Mr. Low.

The last of the Tables (E.) brings into one view the arrivals of Gold and Silver month by month during the five years 1852–56.

## IV.

The general Conclusions which appeared to be justified by the details in this Appendix are, shortly: —

(1.) That the very large supplies of Quicksilver from California since 1853 have already reduced the price of that metal more than *one-half*, thereby rendering it profitable to re-open Silver Mines previously abandoned, and to extend the production of Silver Mines actually in operation.

(2.) That from this cause, and from further discoveries of Silver, we may estimate the *Total* annual Production of Silver as being 12 *Millions* sterling, in 1856; — while it was only 8¾ Millions sterling in 1848.

(3.) That one of the leading results which would flow from any effectual opening of China to vigorous enterprise, would be a large addition from that country to the annual supplies of both the Precious Metals.

I have now to insert the Table (A.), showing the Imports and Re-Exports of Quicksilver, and the Price in London, 1849–55. On the subject of this Table (A.) the reader is referred to pages 759, 760. *antè.*

(A.) QUICKSILVER.—*STATEMENT for the Fifteen Years* 1841–55, *of the* IMPORTS *into and* EXPORTS *from the* UNITED KINGDOM, *with the* PRICES *in* LONDON *in June of each Year.*

(I.) IMPORTS INTO UNITED KINGDOM.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| YEARS. | IMPORTED FROM | | | | Total Re-exported. | RETAINED IN UNITED KINGDOM. | |
| | Spain. | United States. | Other Places. | TOTALS. IMPORTED. | | Quantity. | Prices in London in June. |
| | lbs. | lbs. | lbs. | lbs. | lbs. | lbs. | lbs. |
| 1841 | 1·82 | — | — | 1·82 | 1·77 | ·05 | not gvn |
| '42 | 2·00 | — | — | 2·00 | 1·46 | ·54 | „ |
| '43 | 2·10 | — | — | 2·10 | 1·28 | ·82 | „ |
| '44 | 1·92 | — | ·23 | 2·15 | 1·71 | ·44 | „ |
| '45 | 1·80 | — | ·07 | 1·87 | 1·42 | ·45 | „ |
| 1846 | 1·84 | — | — | 1·84 | 1·60 | ·24 | „ |
| '47 | 2·51 | — | ·03 | 2·54 | 1·52 | 1·02 | „ |
| '48 | 1·55 | — | ·01 | 1·56 | ·90 | ·66 | „ |
| '49 | 2·57 | — | ·11 | 2·68 | 1·25 | 1·43 | 50*d.* |
| '50 | ·24 | — | ·09 | ·35 | 1·01 | — | 48 |
| 1851 | ·03 | — | — | ·03 | ·87 | — | 45 |
| '52 | 1·83 | ·01 | ·27 | 2·11 | ·78 | 1·33 | 36 |
| '53 | 1·48 | ·20 | ·18 | 1·86 | 1·11 | ·75 | 28 |
| '54 | 2·45 | ·04 | ·04 | 2·53 | ·90 | 1·63 | 24 |
| '55 | 2·81 | ·30 | ·11 | 3·22 | 1·60 | 1·62 | 22 |

In the next and second division of this Table (A.) I give the Re-Exports of Quicksilver from the United Kingdom during the period 1841–55. The apparent alteration in the destination of those Re-Exports is remarkable.

## (II.) Re-Exports of Quicksilver from United Kingdom.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Years. | Re-Exports to | | | | | |
| | Mexico. | Chili and Peru. | Russia. | India and China. | Other Places. | Totals. |
| | lbs. | lbs. | lbs. | lbs. | lbs. | lbs. |
| 1841 | ·76 | ·38 | – | – | ·63 | 1·77 |
| '42 | ·64 | ·25 | – | – | ·57 | 1·46 |
| '43 | ·58 | ·23 | – | – | ·47 | 1·28 |
| '44 | ·96 | ·25 | – | – | ·51 | 1·71 |
| '45 | ·53 | ·37 | – | – | ·52 | 1·42 |
| 1846 | ·65 | ·35 | – | – | ·60 | 1·60 |
| '47 | ·96 | ·27 | – | – | ·29 | 1·52 |
| '48 | ·26 | ·36 | – | – | ·28 | ·90 |
| '49 | ·14 | ·55 | – | – | ·56 | 1·25 |
| '50 | ·57 | ·16 | – | – | ·28 | 1·01 |
| 1851 | ·07 | ·35 | – | – | ·45 | ·87 |
| '52 | ·01 | – | ·13 | ·13 | ·51 | ·78 |
| '53 | ·06 | – | ·10 | ·44 | ·51 | 1·11 |
| '54 | ·48 | – | ·13 | ·24 | ·05 | ·90 |
| '55 | – | ·40 | ·22 | ·48 | ·55 | 1·60 |

The quantities are given in Millions and Decimals;—that is to say, the four unit figures are omitted: thus ·76 represents 760,000 lbs., and ·01 represents 10,000 lbs.

The following Table (B.) has been already referred to at pages 761–2. *antè*, and is compiled from several portions of the work by M. Otreschkoff.

## (B.) Russia and Asia.

(I.) Whole of Russia.—Production of Gold and Silver, 1704—1854.— *Statement of the Total and Average Annual Production of the whole of Russia (European and Asiatic), in Periods of Years. (Compiled from the Details contained in the Work by M. N. Tarassenko-Otreschkoff, published in* 1856.)

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| Periods. (Years both inclusive.) | | Gold. | | Silver. | |
| | | Total Produce. | *Annual Average.* | Total Produce. | *Annual Average.* |
| Years. | | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 107 | 1704–1809 | 17·10 | 0·16 | 9·76 | 0·91 |
| 15 | 1810–24 | 2·20 | 0·15 | 1·68 | 0·11 |
| 23 | '25–47 | 31·00 | 1·35 | 3·94 | 0·17 |
| 3 | 1848–50 | 10·10 | 3·37 | 0·48 | 0·16 |
| 4 | '51–54 | 12·30 | 3·08 | 0·61 | 0·15 |
| | | 72·70 | | 16·47 | |

(II.) Asia.—Production of Gold and Silver, 1492—1854.— *Statement of the Total and Average Annual Production in Asia, — excluding Asiatic Russia, but including the Asian Archipelago (Océanie). (Compiled from M. Otreschkoff.)*

| 7 | 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|---|
| Years. | | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 319 | 1492–1809 | 127·00 | 0·41 | 16·90 | 0·05 |
| 15 | 1810–24 | 12·04 | 0·81 | 1·60 | 0·11 |
| 23 | '25–47 | 37·00 | 1·61 | 8·20 | 0·36 |
| 3 | 1848–50 | 8·00 | 2·70 | 2·90 | 0·97 |
| 4 | '51–54 | 14·40 | 3·60 | 3·92 | 0·98 |
| | | 198·44 | | 33·52 | |

(C.) ANNUAL PRODUCTION *of* GOLD *and* SILVER *in* 1800, *and* 1848. — *ESTIMATED STATEMENT, distinguishing the several MINING COUNTRIES of North and South AMERICA; and the General Regions of Production in the OLD WORLD.*

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| GOLD. | | THE PRODUCE OF :— | SILVER. | |
| 1800. | 1848. | | 1848. | 1800. |
| Mins. £ | Mins. £ | | Mins. £ | Mins. £ |
| | | (I.) AMERICA. | | |
| – | ·24 | United States - - | – | – |
| ·22 | ·50 | Mexico - - - | 4·08 | 4·80 |
| ·65 | ·68 | New Granada - - | ·04 | – |
| ·10 | ·10 | Peru - - - | 1·33 | 1·25 |
| ·07 | ·06 | Bolivia - - - | ·46 | ·98 |
| ·51 | ·34 | Brazil - - - | – | – |
| ·38 | ·14 | Chili - - - | ·29 | ·18 |
| 1·93 | 2·06 | | 6·20 | 7·21 |
| | | (II.) OLD WORLD. | | |
| ·15 | ·36 | Europe, excluding Russia but including Turkey - | 1·32 | ·56 |
| ·10 | 4·10 | Russia - - - | ·20 | ·20 |
| ·28 | ·55 | Africa - - - | – | – |
| ·83 | 3·00 | Archipelago of Asia and other Places - - | 1·00 | ·10 |
| 1·36 | 8·01 | | 2·52 | ·86 |
| 3·29 | 10·07 | TOTALS — WHOLE WORLD - | 8·72 | 8·07 |

The next Table (D.) brings into one view the Imports of Bullion year by year since 1851.

(D.) *Imports of Gold and Silver into United Kingdom, 1851–56; distinguished, as far as possible, into the Places of Production; and also separating, as far as possible, Gold from Silver. (Compiled from Mr. Low's Circular of 26th Jan. '57, and from the Economist of 24th Jan. '57.)*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| | IMPORTED FROM;— and whether Gold or Silver:— | 1856. | 1855. | 1854. | 1853. | 1852. | 1851. |
| | | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| | (I.) | | | | | | |
| *Gold.* | United States, including the principal Imports from California | 8·69 | 7·45 | 7·61 | 5·35 | 6·12 | 7·03 |
| „ | Australia | 10·16 | 10·53 | 12·00 | 15·15 | 6·91 | ·03 |
| „ | Brazils | ·04 | ·06 | ·31 | ·32 | ·43 | ·45 |
| „ | Russia | — | — | — | ·16 | ·09 | ·67 |
| „ | India | — | — | ·46 | ·08 | ·01 | ·01 |
| „ | Africa | ·08 | ·12 | ·08 | ·07 | ·01 | ·01 |
| | (II.) | | | | | | |
| *Silver chiefly.* | Mexico, West Indies, Peru, and partly from California | 7·06 | 5·43 | 5·80 | 5·81 | 6·41 | 5·21 |
| „ | Mediterranean | ·53 | ·29 | ·22 | ·15 | ·34 | ·37 |
| | TOTALS | 26·56 | 23·88 | 26·50 | 27·10 | 20·33 | 13·80 |
| | (III.) | | | | | | |
| | Estimated Proportion of Gold and Silver:— | | | | | | |
| — | Gold | 21·06 | 19·18 | 21·50 | 21·60 | 16·13 | 9·30 |
| — | Silver | 5·50 | 4·70 | 5·00 | 5·50 | 4·20 | 4·50 |
| | TOTALS | 26·56 | 23·88 | 26·50 | 27·10 | 20·33 | 13·80 |
| | (IV.) | | | | | | |
| — | Actual Imports of *Silver* from West Indies and Mexico into *Southampton*, being part of the results above in (III.) | 4·80 | 3·50 | 4·11 | 3·92 | 4·01 | 3·35 |

NOTE.—Besides the arrivals of Silver at Southampton, there are considerable arrivals at Liverpool and London.

(E.) GOLD AND SILVER BULLION.—*IMPORTS into UNITED KINGDOM from PLACES of PRODUCTION, during each Month of the Five Years* 1852–56. (*Compiled for the Economist* (*24th Jan.* '57) *from the City Articles of the Daily Papers.*)

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| CALENDAR MONTHS. | 1856. | 1855. | 1854. | 1853. | 1852. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| Jan. - | 1·66 | 1·39 | 2·87 | 2·48 | 1·65 |
| Feb. - | 1·16 | 1·10 | 1·80 | 0·92 | 1·34 |
| Mch. - | 1·37 | 3·71 | 2·07 | 4·10 | 0·69 |
| | 4·19 | 6·20 | 6·74 | 7·50 | 3·68 |
| Apl. - | 2·22 | 1·69 | 1·63 | 1·24 | 1·47 |
| May - | 2·98 | 3·10 | 1·63 | 1·75 | 1·57 |
| June - | 2·95 | 2·63 | 2·93 | 3·53 | 2·20 |
| | 8·15 | 7·42 | 6·19 | 6·52 | 5·24 |
| July - | 2·82 | 1·63 | 1·65 | 1·33 | 1·73 |
| Aug. - | 2·51 | 1·68 | 2·66 | 2·24 | 2·18 |
| Sep. - | 2·65 | 1·83 | 2·36 | 2·43 | 1·60 |
| | 7·98 | 5·19 | 6·67 | 6·00 | 5·51 |
| Oct. - | 1·58 | 2·12 | 3·00 | 2·41 | 1·98 |
| Nov. - | 2·70 | 2·02 | 2·67 | 1·71 | 2·06 |
| Dec. - | 2·29 | 0·94 | 1·23 | 3·03 | 1·84 |
| | 6·57 | 5·08 | 6·90 | 7·15 | 5·88 |
| WHOLE YEAR - | 26·91 | 23·90 | 26·54 | 27·18 | 20·35 |

The preceding figures do *not* include the transmissions of Coin and Bullion to and from the Continent, but are confined to arrivals from places where Gold and Silver are produced.

For 1851 the details per Month are not given, but the Total Import is stated at 13,796,000*l.*

I have given in Part II. various statements from other sources of the arrivals of Gold and Silver in some of the years between 1850 and 1856; but the above Table brings the whole of these important facts into the compass of a single statement.

The order in which the Imports of Bullion have taken place throughout the several years is a peculiarly interesting part of the inquiry.

It will be found, I think, upon a careful collation of dates, that the relief of the Money Market, on the occasion of nearly all the numerous periods of pressure since 1852, has corresponded very closely with the actual or advised arrivals of the Gold Ships from Australia and the Mail Packets from the United States and the West Indies.

N.

# PPENDIX XXVII.

BANK RETURNS — AUSTRALIA. — RETURNS FOR NEW SOUTH WALES, 1841–56; VICTORIA, 1851–56; AND SOUTH AUSTRALIA, 1851–54. — SYDNEY MINT.

THE important features in the Bank Returns of New South Wales, Victoria, and South Australia — Tables (A.), (B.), and (C.) — relate chiefly to the Circulation of Notes; the Cash Reserve; and the amount of the Discounts and Advances.

It became a very early provision of the law in the Colony of New South Wales, that the Banks carrying on business within the Colony should make a Quarterly Return of certain leading items of their Liabilities and Assets, to be ascertained for the average of the preceding three months; and this provision was adopted by the Colonies of Victoria and South Australia.

It also happened that, in an early period, the Business of Banking in Australia fell into the hands of a few powerful and wealthy Joint Stock Banks, supported, in a great measure, by persons in London connected with Australia; having the Head Offices of the Banks in London; and conducting their business in Australia by means of Branch Banks.

It follows, therefore, that the Banks in Victoria and New South Wales are very nearly the same; and that the Paid-up Capital set forth in col. 13, of Tables (A.) and (B.) is not a Capital exclusively employed either in Victoria or New South Wales, but is the Capital of the Banks represented there by Branches. At the same time, there are in Victoria, New South Wales, and South Australia, Banks purely *local*.

If we compare the year 1850 — the year before the Discoveries at Bathurst—with 1856, the latest year in the Returns, we arrive at the following results as regards the Circulation and the Cash Reserve of the Banks.

*Australian Banks*,—1850 *and* 1856.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Population (Persons). | | Colony. | Circulation. | | Cash Reserve. | |
| 1850. | 1856. | | 1850. | 1856. | 1850. | 1856. |
| No. | No. | | £ | £ | £ | £ |
| 180,000 | 260,000 | New South Wales | 270,000 | 2,000,000 | 570,000 | 2,500,000 |
| 80,000 | 350,000 | Victoria - - | 100,000 | 2,000,000 | 220,000 | 3,500,000 |
| 60,000 | 85,000 | South Australia | 80,000 | 300,000 | 140,000 | 1,200,000 |
| 220,000 | 695,000 | | 450,000 | 4,300,000 | 930,000 | 7,200,000 |

We have here, comparing 1856 with 1850,—

Population, *three* times as great as in 1850.
Note Circulation, *nine* times as great as in 1850.
Specie Reserve, *eight* times as great as in 1850.

Besides the 4½ Millions sterling of Bank Notes in Circulation, it is estimated, that the Gold in Circulation among the Public outside the Banks, is at least 1 Million in Victoria; and at least 1 Million more in New South Wales and South Australia.

We arrive, then, at the startling conclusion that, in the space of five years, the transactions of about 700,000 inhabitants in Australia have become so large as to require a Currency of not less than about 14 *Millions sterling*.

These figures will enable us to understand why the 12 Millions of Gold exported from this country to Australia in 1852–53 have almost wholly remained there, at least so far as can be ascertained on this side.

Banking in Australia has been a profitable business since 1850.

The Banks very rarely allow interest on the Deposits lodged with them. In Victoria, since May, 1854, the rate of Discount for 95 days' Bills has been about 7 per cent. per ann.; longer bills, 8 per cent.; advances on Overdrawn current accounts, 10 per cent. Between 1846 and May, 1854, these rates were lower, namely 6 per cent. for 95 days' Bills; 7 per cent. for long bills; and 8 per cent. for Overdrawn accounts. For permanent advances on Mortgage the rate was 10 per cent. till the close of 1855, when the rate fell to 8 and 9 per cent. During

the commercial discredit of 1854–55 rates of 15 to 20 per cent. were not uncommon.

The Notes of the Banks are for Sums of not less than *5l.*

The *Advances* and *Discounts* by the Banks have been: —

| Colony. | 1850. £ | 1856. £ |
|---|---|---|
| New South Wales - - | 1,600,000 | 6,200,000 |
| Victoria - - - | 900,000 | 7,000,000 |
| South Australia - - | 600,000 | 1,000,000 |
| | 3,100,000 | 14,200,000 |

The difficulties connected with the sale of Gold Bullion in 1852 and '53, led, after much clamour, to the permission by the Home Government of the establishment of a Local Mint at Sydney. The Mint actually commenced operations in May, 1855, and to the end of 1856 has coined about 2 Millions of Gold. But the experiment, so far, has not answered the expectations of those who called for it. The Home Government very properly refused to render the Sydney Coin a legal tender all over the Empire; and following in the same path, the Victoria Legislature have refused, but with less reason, to render the Sydney Coin a legal tender in Victoria. The establishment, therefore, is confined to purely local purposes; and the expenses are found to be a burden compared with the benefits received.

The truth is, that the Mint is not required. The ordinary course of trade will abundantly supply Australia with Imperial Coinage.

(II.)

One of the most remarkable of the measures employed with reference to the Banks in Australia, in consequence of the Gold Discoveries, was the measure adopted in January, 1852, in the Colony of South Australia, and known as the Bullion Act.

The Report, dated 2nd August, 1852, of the South Australian Chamber of Commerce, states with great clearness the character of the Crisis out of which the Bullion Act arose.

The discovery of Gold in New South Wales and Victoria drew from South Australia, in a few weeks in the autumn of 1851, about 20,000 persons out of a population of 70,000 persons. These Colonial Emigrants were the most valuable portion of the effective working population of South Australia; and they not only embarrassed that Colony by withdrawing

their labour, but they also drew away from the Banks, in the form of *Coin*, a very considerable part of the Deposits of which the Banks had been made the places of lodgment. The trade of South Australia was in an unsound state prior to August, 1851; and Rates of Discount of 30 to 40 per cent. per ann. were prevalent. The exodus of the Labourers, and the withdrawal of the Cash Reserves of the Banks, threatened a serious crisis. On the one hand, the Banks could not purchase Gold Bullion offered to them for sale because their supply of Coin was already inadequate, and because their Notes were payable in *Coin*, and not in Bullion; nor, on the other hand, could the Banks extend their advances to their customers. These difficulties were so great that Gold Bullion was sold in South Australia at 45*s.* per ounce, while the price was 60*s.* in Victoria.

In January, 1852, the Legislative Council adopted, at the suggestion of the Banks, a measure of the following nature: — (1.) An Assay Office was established for melting and assaying Gold Bullion at a charge of one per cent. for expenses. — (2.) On Gold Bars so assayed the Banks were authorised to effect advances or purchases at the rate of 71*s.* per ounce standard. — (3.) Gold Bars so taken were declared to be legal tender by the Banks, and the Notes of the Banks were declared to be legal tender between third parties. — (4.) The Act was to be in force for one year from its date.

The success of the measure is described as having been perfect. The Banks were at once set at liberty, and the financial pressure was removed.

The following figures will show the effect of the scheme upon the position of the Banks.

SOUTH AUSTRALIA. — *POSITION of the BANKS of the COLONY in January, 1852, immediately prior to the passing of the Bullion Act; and in July, 1852, when the Act had been six Months in force.*

| Date. | Circulation. | Deposits. | Discounts. | Cash and Bullion Reserve. |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| 1852, Jan. | 84,000 | 211,000 | 606,000 | 97,000 |
| „ July | 233,000 | 452,000 | 378,000 | 524,000 |

One of the chief indirect effects of the measure was in inducing the return to South Australia of the Emigrants who had left it for the Diggings.

(A.) New South Wales.—*Official Returns of the Average*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Quarters ended — | LIABILITIES. | | | | ASSETS. | | |
| | Circulation. | Deposits. | | Total Liabilities. | Cash Reserve. | | |
| | | General Deposits. | Other Liabilities. | | Coin. | Bullion. | Total. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1841. 30 June - | ·22 | 1·11 | ·06 | 1·39 | ·38 | – | ·38 |
| 1842. 30 „ - | ·20 | ·96 | ·06 | 1·22 | ·49 | – | ·49 |
| 1843. 30 „ - | ·17 | ·85 | ·05 | 1·07 | ·38 | – | ·38 |
| 1844. 30 „ - | ·15 | ·88 | ·06 | 1·09 | ·43 | – | ·43 |
| 1847. 30 „ - | ·24 | 1·30 | ·02 | 1·56 | ·74 | – | ·74 |
| 1848. 30 „ - | ·24 | 1·23 | ·02 | 1·49 | ·59 | – | ·59 |
| 1849. 30 „ - | ·24 | 1·18 | ·02 | 1·44 | ·64 | – | ·64 |
| 1850. 30 „ - | ·27 | 1·39 | ·03 | 1·69 | ·57 | – | ·57 |
| 1851. 30 June - | ·32 | 1·74 | ·02 | 2·08 | ·74 | – | ·74 |
| 30 Sept. - | ·26 | 1·13 | ·02 | 1·41 | ·57 | – | ·57 |
| 31 Dec. - | ·41 | 1·28 | ·01 | 1·70 | ·58 | – | ·58 |
| 1352. 31 Mch. - | ·51 | 1·51 | ·01 | 2·03 | ·52 | – | ·52 |
| 30 June - | ·60 | 1·68 | ·01 | 2·29 | ·77 | – | ·77 |
| 30 Sept. - | ·73 | 2·03 | ·04 | 2·80 | 1·08 | – | 1·08 |
| 31 Dec. - | ·88 | 2·65 | ·04 | 3·57 | 1·43 | – | 1·43 |
| 1853. 31 Mch. - | – | – | – | – | – | – | – |
| 30 June - | 1·02 | 4·13 | ·12 | 5·27 | 2·63 | – | 2·63 |
| 30 Sept. - | 1·07 | 4·84 | ·06 | 5·97 | 3·39 | – | 3·39 |
| 31 Dec. - | 1·14 | 5·36 | ·05 | 6·55 | 3·06 | – | 3·06 |
| 1854. 31 Mch. - | 1·27 | 5·17 | ·05 | 6·49 | 2·52 | – | 2·52 |
| 30 June - | 1·35 | 5·46 | ·04 | 6·85 | 2·68 | – | 2·68 |
| 30 Sept. - | 2·39 | 5·88 | 1·04 | 9·31 | 2·67 | ·48 | 3·15 |
| 31 Dec. - | 2·19 | 5·07 | ·33 | 7·59 | 2·32 | ·62 | 2·94 |
| 1855. 31 Mch. - | 1·95 | 4·77 | ·43 | 7·15 | 2·24 | ·26 | 2·50 |
| 30 June - | 1·96 | 4·60 | ·33 | 6·89 | 2·44 | ·34 | 2·78 |
| 30 Sept. - | 1·94 | 4·61 | ·37 | 6·92 | 2·52 | ·60 | 3·12 |
| 31 Dec. - | 2·01 | 4·87 | ·55 | 7·43 | 2·74 | ·53 | 3·27 |
| 1856. 31 Mch. - | 1·23 | 4·63 | ·57 | 6·43 | 2·23 | – | 2·23 |

*Quarterly* CONDITION *of* BANKS *in* NEW SOUTH WALES, 1841–56.

| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
|---|---|---|---|---|---|---|---|
| ASSETS. | | | | CAPITAL, &c. | | | |
| Advances. | | | | | | | |
| Discounted Bills. | Sundry. | TOTAL. | TOTAL ASSETS. | Capital paid up. | Reserve Fund. | No. of Banks. | Quarters ended — |
| Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | No. | |
| 2·61 | ·06 | 2·67 | 3·05 | 1·87 | ·10 | 7 | 1841. 30 June. |
| 2·43 | ·05 | 2·48 | 2·97 | 2·05 | ·13 | 7 | 1842. 30 „ |
| 2·28 | ·06 | 2·34 | 2·72 | 2·19 | ·14 | 6 | 1843. 30 „ |
| 1·69 | ·05 | 1·74 | 2·17 | 2·11 | ·16 | 4 | 1844. 30 „ |
| 1·73 | ·07 | 1·80 | 2·54 | 1·95 | ·21 | 4 | 1847. 30 „ |
| 1·66 | ·12 | 1·78 | 2·37 | 1·97 | ·11 | 4 | 1848. 30 „ |
| 1·57 | ·10 | 1·67 | 2·31 | 1·92 | ·15 | 4 | 1849. 30 „ |
| 1·48 | ·16 | 1·64 | 2·21 | 1·94 | ·18 | 4 | 1850. 30 „ |
| 1·67 | ·18 | 1·85 | 2·59 | 1·95 | ·15 | 4 | 1851. 30 June. |
| 1·23 | ·14 | 1·37 | 1·94 | 1·96 | ·16 | 4 | 30 Sept. |
| 1·32 | ·21 | 1·53 | 2·11 | 1·98 | ·17 | 4 | 30 Dec. |
| 1·40 | ·41 | 1·81 | 2·33 | 1·99 | ·17 | 4 | 1852. 31 Mch. |
| 1·39 | ·49 | 1·88 | 2·65 | 2·06 | ·18 | 4 | 30 June. |
| 1·57 | ·62 | 2·19 | 3·27 | 2·17 | ·20 | 4 | 30 Sept. |
| 1·58 | 1·11 | 2·69 | 4·12 | 2·22 | ·31 | 4 | 31 Dec. |
| — | — | — | — | — | — | — | 1853. 31 Mch. |
| 2·02 | ·79 | 2·81 | 5·44 | 2·44 | ·33 | 8 | 30 June. |
| 3·10 | ·56 | 3·66 | 7·05 | 2·82 | ·44 | 6 | 30 Sept. |
| 3·14 | 1·46 | 4·60 | 7·66 | 3·07 | ·39 | 7 | 31 Dec. |
| 4·08 | 1·03 | 5·11 | 7·63 | 3·07 | ·49 | 7 | 1854. 31 Mch. |
| 4·82 | ·74 | 5·56 | 8·24 | 3·24 | ·51 | 7 | 30 June. |
| 6·79 | 1·41 | 8·20 | 11·35 | 3·29 | ·67 | 7 | 30 Sept. |
| 6·39 | 1·21 | 7·60 | 10·54 | 3·37 | ·68 | 7 | 31 Dec. |
| 5·68 | 1·72 | 7·40 | 9·90 | 4·37 | ·88 | 7 | 1855. 31 Mch. |
| 5·25 | 1·46 | 6·71 | 9·49 | 4·41 | ·90 | 7 | 30 June. |
| 4·68 | 1·48 | 6·16 | 9·28 | 4·70 | 1·06 | 7 | 30 Sept. |
| 4·77 | 1·61 | 6·38 | 9·65 | 4·75 | 1·06 | 7 | 31 Dec. |
| 5·13 | 1·03 | 6·16 | 8·39 | 5·01 | 1·01 | 8 | 1856. 31 Mch. |

(B.) VICTORIA.—*OFFICIAL RETURNS of the Average*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Quarters ended — | LIABILITIES. | | | | ASSETS. | | |
| | Circulation. | Deposits. | | Total Liabilities. | Cash Reserve. | | |
| | | General Deposits. | Other Liabilities | | Coin. | Bullion. | Total. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1851. 30 Sept. - | ·09 | ·64 | ·02 | ·75 | ·22 | — | ·22 |
| 31 Dec. - | ·18 | ·82 | ·01 | 1·01 | ·32 | — | ·32 |
| 1852. 31 Mch. - | ·44 | 1·42 | ·03 | 1·89 | ·47 | — | ·47 |
| 30 June - | ·66 | 2·00 | ·04 | 2·70 | ·60 | ·14 | ·74 |
| 30 Sept. - | 1·02 | 3·24 | ·07 | 4·33 | 1·03 | ·50 | 1·53 |
| 31 Dec. - | 1·44 | 4·88 | ·08 | 5·40 | 2·01 | 1·23 | 3·24 |
| 1853. 31 Mch. - | 1·44 | 5·46 | ·08 | 6·98 | 2·40 | 1·23 | 3·63 |
| 30 June - | 1·50 | 5·84 | ·22 | 7·56 | 3·16 | 1·59 | 4·75 |
| 30 Sept. - | 1·70 | 6·53 | ·28 | 8·51 | 3·60 | 1·39 | 4·99 |
| 31 Dec. - | 1·92 | 7·30 | ·08 | 9·30 | 3·48 | ·86 | 4·34 |
| 1854. 31 Mch. - | 2·09 | 6·13 | ·09 | 8·31 | 3·25 | ·63 | 3·88 |
| 30 June - | 2·29 | 7·33 | ·12 | 9·74 | 2·96 | ·59 | 3·55 |
| 30 Sept. - | 2·38 | 6·76 | ·17 | 9·31 | 2·67 | ·48 | 3·15 |
| 31 Dec. - | 2·19 | 5·25 | ·15 | 7·59 | 2·32 | ·62 | 2·94 |
| 1855. 31 Mch. - | 1·95 | 4·77 | ·44 | 7·16 | 2·24 | ·26 | 2·50 |
| 30 June - | 1·96 | 4·60 | ·33 | 6·89 | 2·44 | ·34 | 2·78 |
| 30 Sept. - | 1·94 | 4·61 | ·37 | 6·92 | 2·52 | ·60 | 3·12 |
| 31 Dec. - | 2·01 | 4·87 | ·55 | 7·43 | 2·74 | ·53 | 3·27 |
| 1856. 31 Mch. - | 2·15 | 5·46 | ·64 | 8·25 | 3·07 | ·49 | 3·56 |

*Quarterly* CONDITION *of the* BANKS *in* VICTORIA, 1851–56.

| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
|---|---|---|---|---|---|---|---|
| ASSETS. | | | | CAPITAL, &c. | | | |
| Advances. | | | Total Assets. | Capital Paid up. | Reserve Fund. | No. of Banks. | Quarters ended — |
| Discounted Bills. | Sundry. | Total. | | | | | |
| Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | No. | |
| – | – | ·92 | 1·14 | – | – | – | 1851. 30 Sept. |
| – | – | ·97 | 1·09 | – | – | – | 31 Dec. |
| – | – | ·88 | 1·35 | – | – | – | 1852. 31 Mch. |
| – | – | ·90 | 1·63 | 1·92 | ·17 | – | 30 June |
| – | – | 1·88 | 3·43 | – | – | – | 30 Sept. |
| – | – | 2·48 | 5·78 | – | – | – | 31 Dec. |
| 2·03 | ·06 | 2·09 | 5·72 | – | – | – | 1853. 31 Mch. |
| 1·69 | ·28 | 1·97 | 6·72 | 2·27 | ·29 | 4 | 30 June |
| 2·82 | ·44 | 3 26 | 8·25 | 2·68 | ·43 | 5 | 30 Sept |
| 3·90 | 1·37 | 5·27 | 9·71 | 2·71 | ·20 | 5 | 31 Dec. |
| 5·08 | ·48 | 5·56 | 9·44 | 2·97 | ·41 | 6 | 1854. 31 Mch. |
| 6·22 | 1·59 | 7·81 | 11·36 | 3·16 | ·52 | 5 | 30 June |
| 6·79 | 1·41 | 8·20 | 11·35 | 3·29 | ·67 | 6 | 30 Sept. |
| 6·39 | 1·20 | 7·59 | 10·53 | 3·37 | ·68 | 6 | 31 Dec. |
| 5·67 | 1·73 | 7·40 | 9·90 | 4·37 | ·88 | 7 | 1855. 31 Mch. |
| 5·25 | 1·46 | 6·71 | 9·49 | 4·41 | ·90 | 7 | 30 June |
| 4·68 | 1·48 | 6·16 | 9·28 | 4·70 | 1·06 | 7 | 30 Sept. |
| 4·77 | 1·61 | 6·38 | 9·65 | 4·74 | 1·06 | 7 | 31 Dec. |
| 5·11 | 1·67 | 6·78 | 10·34 | 4·83 | 1·08 | 7 | 1856. 31 Mch. |

(C.) SOUTH AUSTRALIA.—*ABSTRACT of the RETURNS of all the BANKS carrying on Business in the Province of SOUTH AUSTRALIA, at the Dates as under,* 1851–54.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| DATES. | LIABILITIES. | | | ASSETS. | | |
| | Circulation. | Deposits. | Total Liabilities. | Specie and Bullion. | Bills discounted. | Total Assets. |
| | £ | £ | £ | £ | £ | £ |
| 1851, Sept. | 77, | 209, | 287, | 144, | 598, | 742, |
| '52, July | 233, | 451, | 684, | 524, | 387, | 911, |
| '53, Mch. | 361, | 1,210, | 1,571, | 1,124, | 461, | 1,586, |
| '53, Sept. | 263, | 1,406, | 1,670, | 1,522, | 346, | 1,868, |
| '54, Mch. | 308, | 1,404, | 1,712, | 1,166, | 732, | 1,898, |
| '54 Nov. | – | 1,384, | – | – | 690, | – |

NOTE.—The three *unit* figures are omitted; thus, 77, represents 77,000*l.*

These returns relating to South Australia must be examined in connection with the details given at pages 774–5. *antè*, on the subject of the South Australian Bullion Act of Jan. 1852.

N.

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# APPENDIX XXVIII.

AUSTRALIAN POPULATION.— DETAILS RELATIVE TO ORIGIN AND RATE OF INCREASE OF THE POPULATION OF NEW SOUTH WALES, VICTORIA, SOUTH AUSTRALIA, AND TASMANIA, TO THE CLOSE OF 1856.

AMONG the most important of the considerations connected with the future, is the character and extent of the European Populations which have established themselves in the four Australian Colonies of New South Wales, Victoria (formerly Port Phillip), South Australia, and Tasmania (formerly Van Diemen's Land). And among the most important of the influences which will determine the future of the great region lying in the Southern Seas, is the circumstance that, not only prior to 1851, but also subsequent to 1851, the course of events has established firmly in these four colonies—but especially in New South Wales, Victoria, and South Australia—not merely an European population, with a reasonable admixture of the sexes, but a Population which in the largest proportion is entirely English;—not simply British;—but drawn from the best and hardiest of the English Counties.

In the Tables (A.) to (F.) attached to this Appendix, I have collected as many of the facts as are necessary to form something more than a mere general opinion of the character of the Australian Population; and I have been the more induced to insert these Tables because they have been condensed from a variety of sources.

The admirable volume of Statistical Returns relative to Victoria, compiled by Mr. W. H. Archer *, the Registrar of the Colony — himself reared in the ranks of the Statistical Society of London — has furnished much of the information; and I have sought the rest in Blue Books, and elsewhere.

* The Victoria Statistical Register, 8vo., 1855, sold in London, by Guillaume, Chester Square.

First, as regards the English element in the Australian Population, we are able to state specifically the nationality of the Emigrants from the United Kingdom to Australia during the years 1853 and '54. Thus:—

*Emigrants to Australia from United Kingdom.*

| Origin. | 1854. No. | 1853. No. |
|---|---|---|
| English | 47,100 | 32,200 |
| Scotch | 14,200 | 9,900 |
| Irish | 16,200 | 12,700 |
| Other | 5,700 | 6,600 |
| | 83,200 | 61,400 |

In both years, therefore, more than 50 per cent. of the Emigrants were English.

In Table (A.) the progress of the New South Wales Population is shown from 1821 to 1854; and also the almost complete establishment of an equality in the numbers of the sexes.

Tables (B.) and (C.) relate to the Population of Victoria down to the close of 1855; and even in this Colony the proportion of females to males is 60 to 100.

Table (D.) is important as showing the distribution of the population in Victoria at the Statutory Census taken April, 1854. One of the important results of that Census was the establishment of the fact, that the Total Population of the Gold Fields was only, say, 70,000 persons, instead of 100,000, or 120,000, which it had been the custom to assume.

Table (F.) exhibits the rush of Immigrants into Victoria after 1851. The small influx of 600 persons per month early in 1851, became 10,000 per month in 1852 and 1853.

It appears also from Table (F.) that the funds provided by the Australian Colonies for Emigration from this country amounted for the Five Years, 1851–55, to, say, 2 Millions sterling.

Comparing the Population of Australia at the close of 1850 and 1856, we have the following results — omitting the 20,000 Chinese, who are happily not permanent residents:—

*Population (Persons) of the Four leading Australian Colonies, 31st December, 1850 and 1856.*

| Colony. | 1856. | 1850. |
|---|---|---|
| New South Wales - | 270,000 | 180,000 |
| Victoria - - - | 320,000 | 77,000 |
| South Australia - | 100,000 | 64,000 |
| Tasmania - - | 60,000 | 48,000 |
| | 750,000 | 369,000 |

(A.) NEW SOUTH WALES, *exclusive of* PORT PHILLIP (*Victoria*).—*Eight Censuses*, 1821—1854.—*TOTAL POPULATION of City of SYDNEY, and the whole of New South Wales; with Proportions of Ages.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| YEAR. | CITY OF SYDNEY. | | | TOTAL CENSUS OF COLONY. | | | PER-CENTAGE OF TOTAL POPULATION. | |
| | Males. | Females. | TOTAL. | Males. | Females. | TOTAL. | Males. | Females. |
| | No. | No. | No. | No. | No. | No. | p. cent. | p. cent. |
| 1821 | – | – | – | 21,700 | 8,100 | 29,800 | 72·8 | 27·2 |
| 1828 | 7,400 | 3,400 | 10,800 | 27,600 | 9,000 | 36,600 | 75·4 | 24·6 |
| 1833 | 9,800 | 6,400 | 16,200 | 44,700 | 16,200 | 60,900 | 73·4 | 26·6 |
| 1836 | 12,100 | 7,600 | 19,700 | 55,500 | 21,600 | 77,100 | 72·0 | 28·0 |
| 1841 | 17,200 | 12,800 | 30,000 | 79,000 | 40,200 | 119,200 | 66·4 | 33·6 |
| 1846 | 20,800 | 17,500 | 38,300 | 94,500 | 62,100 | 156,600 | 60·0 | 40·0 |
| 1851 (Mch.) | 30,000 | 24,000 | 54,000 | 106,200 | 81,000 | 187,200 | 56·6 | 43·4 |
| 1854 (Dec.) | – | – | – | 144,100 | 107,200 | 251,300 | 57·3 | 42·7 |

NOTE.—The *Urban* population, as distinguished from the *Rural* population, is returned as follows *exclusive* of Sydney, as given above.

| | | | | | |
|---|---|---|---|---|---|
| 1833 - | (7 places) - | 13,000 persons. | 1841 - | (25 places) - | 28,900 persons. |
| 1836 - | (7 places) - | 12,500 „ | 1846 - | (30 places) - | 31,700 „ |

More than one half, therefore, of the Urban Population has, at all the periods, been collected in

Sydney. The towns of largest population in 1846 were Paramatta, 4,400 persons; Maitland, 3,300 persons; Bathurst, 1,900 persons; Newcastle, 1,500 persons; Windsor, 1,700 persons.

In March, 1856, the population of the City of Sydney was returned at 53,000 persons; 26,200 males, 26,900 females; that is, an *excess* of females over males; a result entirely new in Australian statistics.

In the above Table col. 9. marks very satisfactorily the increasing proportion of females.

(B.) Colony of Victoria (late Port Phillip).—*Four Censuses of March* 1841, *March* 1846, *March* 1851, *and April* 1854; *and the Estimates of December, '54 and '55.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|
| Census. | Melbourne. | | | Geelong. | | | Total Census of whole Colony. | | |
| | Males. | *Females.* | — | Males. | *Females.* | — | Males. | *Females.* | — |
| | No. | No. | No. | No. | No. | No. | No. | No. | No. |
| 1841 | 2,676 | 1,803 | 4,479 | 304 | 150 | 454 | 8,274 | 3,464 | 11,738 |
| 1846 | 5,754 | 5,200 | 10,954 | 782 | 588 | 1,370 | 20,184 | 12,695 | 32,879 |
| 1851 | 12,374 | 10,769 | 23,143 | 4,491 | 3,800 | 8,291 | 46,202 | 31,143 | 77,345 |
| 1854 | 27,200 | 22,522 | 49,722 | 11,065 | 9,041 | 20,115 | 137,442 | 95,432 | 232,874 |
| 31 Dec. | — | — | — | — | — | — | 178,024 | 95,841 | 273,865 |
| 1855 31 Dec. | — | — | — | — | — | — | 207,133 | 112,112 | 319,245 |

With reference to the Census of 1854, great as is the increase (say 155,000, or 200 per cent.) over 1851, it must be remembered that the whole of that increase is attributable to Immigration; for with the adult females equal to little more than, say, 15 per cent. of the total population, there must be a considerable excess of deaths over births, instead of births over deaths.

At Dec. '54 and Dec. '55, there were about 20,000 Chinese, all males, in Victoria; and they had been found so undesirable as Immigrants, that in 1855, it was proposed to levy a tax on Chinese arrivals.

(C.) VICTORIA.—*AGES of MALE and FEMALE POPULATION.—Per-Centage Proportion borne by the several Ages to the Total Population of the Colony.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| AGES. | MALES. | | | FEMALES. | | |
| | 1841. | 1846. | 1851. | 1841. | 1846. | 1851. |
| | per cent. | per cent. | per cent. | per cent. | per cent. | per cent. |
| 0–14 - | 14·2 | 28·2 | 30·8 | 33·4 | 43·4 | 44·0 |
| 14–21 - | 6·8 | 4·9 | 6·9 | 11·1 | 7·9 | 11·4 |
| 21–45 - | 73·0 | 60·4 | 53·4 | 52·8 | 45·3 | 39·4 |
| 45–60 - | 5·3 | 5·6 | 7·8 | 2·5 | 3·1 | 4·6 |
| 60 and above | 0·6 | 0·8 | 1·1 | 0·2 | 0·3 | 0·5 |
| All ages - | 70·5 | 61·4 | 59·7 | 29·5 | 38·6 | 40·2 |

NOTE.—This Table may be read thus, viz.:—In 1841 the Males of the ages 14 to 21 were equal to 6·8 per cent. of the *Total Male Population*. And the Male Population of all ages was equal to 70·5 per cent. of the Total Population, Male and Female, of the Colony. —The like reading for the other cols.—The ages for 1854 are not yet published. The increase in the proportion of Females (of all ages) to Males (of all ages) is very marked. Thus:

VICTORIA.—*Censuses* 1841, '46, *and* '51.

In 1841 there were 42 females to 100 males.
1846 „ 62 „ 100 „
1851 „ 66 „ 100 „

(D.) VICTORIA.—*CENSUS taken in April*, 1854, *in pursuance of an Act of the Colonial Legislature.*

(I.) TOWN POPULATION.

| | Males. | Females. | Total. |
|---|---|---|---|
| Melbourne and Suburbs - | – | – | 49,700 |
| | 11,400 | 10,000 | 21,400 |
| Geelong - - - - | 11,000 | 9,000 | 20,000 |
| Eight other Towns - - | 5,100 | 4,300 | 9,400 |
| *Forward* | 27,500 | 23,300 | 100,500 |

(II.) Agricultural and Pastoral Population.

| | Males. | Females. | Total. |
|---|---|---|---|
| Bourke County - - | 12,800 | 8,200 | 21,000 |
| Dalhousie - - - - | 3,400 | 1,800 | 5,200 |
| Grant - - - - | 4,400 | 2,900 | 7,300 |
| Seventeen other Counties - | 15,700 | 8,800 | 24,500 |
| | 36,300 | 21,700 | 58,000 |

(III.) Mining Population.

| | | | |
|---|---|---|---|
| Ballarat Diggings - - | 12,600 | 4,000 | 16,600 |
| Bendigo „ - - - | 12,200 | 3,200 | 15,400 |
| Mount Alexander - - | 8,600 | 3,400 | 12,000 |
| Tarrengower - - - | 4,100 | 1,100 | 5,200 |
| Ten other Localities - - | 9,200 | 2,200 | 11,400 |
| | 46,700 | 13,900 | 60,600 |
| Travellers on Roads ("Prospecting Parties") - - | 6,000 | 600 | 6,600 |
| | 52,700 | 14,500 | 67,200 |

*Summary, April,* 1854.

| | | | |
|---|---|---|---|
| Total Population of Victoria so far as Sex is given by the Return - - - - | 116,500 | 59,500 | 176,000 |
| Melbourne — Sex not distinguished - - - - - | – | – | 49,700 |
| | | | 225,700 |
| Travellers on Roads - - - - - | | | 1,800 |
| Persons on Board of Ships - - - - | | | 5,000 |
| *General Total* - | | | 232,500 |

The following Table (E.) relates to the Estimated Population of the Gold Fields of Victoria at four dates in each year 1851–55.

(E.) VICTORIA.—*ESTIMATED POPULATION of the various GOLD FIELDS at Four Periods of the Years* 1851 *to* 1854.

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| Year and Names of Gold Fields. | April. | July. | October. | December. |
| | Persons. | Persons. | Persons. | Persons. |
| 1851. | | | | |
| Ballarat, Mount Alexander, Anderson's Creek - - - | – | – | 30 | 20,300 |
| 1852. | | | | |
| Ballarat, Mount Alexander, May Day Hills - - - | 36,260 | 31,100 | 53,500 | 44,400 |
| 1853. | | | | |
| Castlemaine, Sandhurst, Ballarat, Bushworth, Heathcote - - | 65,000 | 72,600 | 80,200 | 75,600 |
| 1854. | | | | |
| (Same Places) - - | 100,000 | 120,000 | 84,000 | – |
| 1855. | | | | |
| (Same Places) - - | – | 150,000 | 162,000 | 146,000 |

NOTE.— In July, 1855, the Estimate of 150,000 persons included 23,000 women and 28,000 children; leaving 100,000 men, of whom 22,000 were Chinese.

In October, 1855, the women were 19,000, the children 22,000,—the Chinese were 19,000,—leaving 83,000 men, Europeans or Colonists. It is the bane of the Chinese Immigration that it includes men only.

By the Census of *April*, 1854, (see page 786. opposite,) the total population of the Gold Fields was ascertained to be 67,200 (viz. 52,700 males, and 14,500 females); a number very much *less* than, as shown by the preceding Estimate, it had become the habit to assume.

In the following Table (F.) we are able to trace in a numerical form the enormous influx of Immigrants into Victoria in 1852–53.

(F.) VICTORIA. — *IMMIGRATION for Periods of Six Months during th* 1851–53; *distinguishing the ASSISTED from the UNASSISTED Immigra*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Periods. | Assisted. | | Unassisted. | | Totals. | | |
| | Males. | Females. | Males. | Females. | Males. | Females. | Both Sexes. |
| | Persons. | Persons. | Persons. | Persons. | Persons. | Persons. | Persons. |
| 1851. | | | | | | | |
| Jan.—Mch. | – | – | – | – | 1,180 | 570 | 1,750 |
| Apl.—June | 150 | 110 | 1,060 | 320 | 1,210 | 430 | 1,640 |
| July—Dec. | 1,080 | 900 | 7,400 | 1,520 | 8,500 | 2,400 | 10,900 |
| 1852. | | | | | | | |
| Jan.—June | 1,290 | 1,230 | 24,300 | 4,300 | 25,600 | 4,600 | 30,200 |
| July—Dec. | 6,500 | 6,500 | 43,000 | 9,000 | 50,000 | 15,500 | 64,700 |
| 1853. | | | | | | | |
| Jan.—June | 3,200 | 5,000 | 34,000 | 9,700 | 36,200 | 14,700 | 50,900 |
| July—Dec. | 2,060 | 4,300 | 26,500 | 8,200 | 28,560 | 12,500 | 41,160 |
| 1854. | | | | | | | |
| Jan.—June | not gvn. | not gvn. | not gvn. | not gvn. | 23,000 | 9,400 | 32,400 |
| July—Oct. | – | – | – | – | 20,000 | 7,200 | 27,200 |
| | | | | | 194,310 | 67,300 | 261,850 |

NOTE.—The amount of Funds placed by the Australian Colonies — chiefly Victoria and New South W the disposal of the Emigration Commissioners for the purposes of assisting eligible Emigrants from th Kingdom, is given as follows:—

| | £ | | £ | | £ |
|---|---|---|---|---|---|
| 1847 - - - | 47,000 | 1850 - - - | 197,000 | 1853 - - - | 572,0( |
| '48 - - - | 197,000 | '51 - - - | 294,000 | '54 - - - | 797,0( |
| '49 - - - | 144,000 | '52 - - - | 377,000 | '55 - - - | not giv |

These funds are a definite portion of the proceeds of the Land Sales. For the five years 1851–55, amounted probably to 2 Millions sterling.

The figures in col. 9., exhibiting the average Arrivals per month, will attract attention. During th months July 1852 to July 1853, the average Arrivals in Melbourne and Geelong were very nearly 10,000 pe month.

The cost of Passage for a Government Adult Emigrant is at present (January, '57) about 15*l*. In 1852 i

# APPENDIX XXIX.

## Australian Trade and Revenue, 1842—1854. — Progress of the Four Colonies.

In the seven Tables (A.) to (G.), attached hereto, I have placed, in a condensed form, the material facts necessary to exhibit the progress of Trade, Revenue, Shipping, and Live Stock, in the four Australian Colonies, at a date—1842—in the early progress of the Colonies;—at a second date—1850—immediately prior to the Gold Discoveries in May, 1851;—and at a third date—1854—three years after those Discoveries.

It is only by the aid of digested statements, such as I have sought to frame in this and other Appendices, that we can arrive at a clear and precise estimate of the strength and compactness of the social framework which has been set up by the English communities in Australia. The more I have been led to investigate the phenomena connected with the Gold Discoveries, the more I have become sensible that probably one of the greatest and most hopeful circumstances connected with the Future is the rapid and solid growth which, in the space of five or six years, has placed Australia in the first rank of Young Countries.

The details contained in the following Tables will enable us to form opinions of the Future at least, by the aid of some knowledge of the Past.

I have to express my thanks to Mr. Merivale for the opportunity of consulting, at the Colonial Office, some of the original Blue Books received from Australia.

I am not so presumptuous as to claim for all the following figures the merit of perfect accuracy; but I do not think that the errors are numerous or of much moment.

(A.) Australian Colonies.—*New South Wales, Victoria, Comparative Progress at the Three*

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| Years. | Population. | | Total Revenue. | Trade |
| | Residents. | Immigrants. | | Imports. |
| 1842. | No. | No. | £ | £ |
| New South Wales (1837) | 77,100 | 3,400 | 350,000 | 1,182,000 |
| Victoria - - - | 11,700 | 1,000 | 87,000 | 277,000 |
| Tasmania - - - | 59,000 | 3,000 | 144,000 | 587,000 |
| South Australia - - | 17,000 | 600 | 90,000 | 170,000 |
| Totals - - | 164,800 | 8,000 | 671,000 | 2,216,000 |
| 1850. | | | | |
| New South Wales - - | 180,000 | 4,600 | 868,000 | 1,333,000 |
| Victoria - - - | 77,300 | 10,760 | 260,000 | 745,000 |
| Tasmania - - - | 48,000 | 20,000 | 163,000 | 658,000 |
| South Australia - - | 64,000 | 3,000 | 260,000 | 845,000 |
| Totals - - | 369,300 | 38,360 | 1,051,000 | 3,581,000 |
| 1854. | | | | |
| New South Wales - - | 251,000 | 10,000 | 1,239,000 | 5,981,000 |
| Victoria - - - | 273,000 | 84,000 | 3,223,000 | 17,659,000 |
| Tasmania - - - | 53,000 | 16,000 | 375,000 | 2,604,000 |
| South Australia - - | 93,000 | 12,000 | 840,000 | 2,147,000 |
| Totals - - | 670,000 | 122,000 | 5,677,000 | 28,391,000 |

This Table (A.) is a Summary of the Four Tables (B.), (C.), name assigned by authority to Van Diemen's Land from the

*Tasmania, and South Australia.* — *Summary Statement of Dates* 1842, 1850, *and* 1854.

| 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|
| and Shipping. | | Live Stock. | | |
| *Exports.* | Tonnage Inwards. | Cattle. | Sheep. | Years. |
| £ | No. | No. | No. | 1842. |
| 748,000 | 133,000 | 850,000 | 3,452,000 | New South Wales (1837). |
| 200,000 | 43,000 | 50,000 | 782,000 | Victoria. |
| 582,000 | 83,000 | not given | not given | Tasmania. |
| 75,000 | 13,000 | " | " | South Australia. |
| 1,605,000 | 272,000 | 900,000 | 4,234,000 | Totals. |
| | | | | 1850. |
| 1,357,000 | 126,000 | 1,374,000 | 7,092,000 | New South Wales. |
| 1,042,000 | 108,000 | 386,000 | 5,130,000 | Victoria. |
| 613,000 | 104,000 | 82,000 | 1,822,000 | Tasmania. |
| 570,000 | 86,000 | 68,000 | 897,000 | South Australia. |
| 3,582,000 | 424,000 | 1,910,000 | 14,941,000 | Totals. |
| | | | | 1854. |
| 4,050,000 | 376,000 | 1,576,000 | 8,144,000 | New South Wales. |
| 11,775,000 | 794,000 | 482,000 | 5,332,000 | Victoria. |
| 1,433,000 | 198,000 | 104,000 | 1,831,000 | Tasmania. |
| 1,322,000 | 146,000 | 74,000 | 1,768,000 | South Australia. |
| 18,580,000 | 1,514,000 | 2,236,000 | 17,075,000 | Totals. |

(D.), and (E.), which immediately follow. — Tasmania is the 1st July, 1855.

(B.) New South Wales (*exclusive of Port Phillip District*).—*Progress as shown at Six Periods during the Eighteen Years*, 1837–54. (*Port Phillip became the separate Province of Victoria, in* 1851.)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Divisions. | 1854. | 1853. | 1852. | 1850. | 1846. | 1837. |
| (I.) Population: — | | | | | | |
| White Persons in Col. at End of Year - *No.* | 251,000 | 231,000 | 208,000 | 180,000 | 156,600 | 77,100 |
| Total Immigrants arrived in Year - - *No.* | 10,000 | 13,700 | 8,700 | 4,600 | 400 | 3,400 |
| (II.) Imports (*real value*). | | | | | | |
| from Great Britain £ | 4,354, | 4,679, | 1,395, | 1,070, | 905, | 807, |
| „ British Colonies £ | 544, | 640, | 174, | 73, | 175, | 184, |
| „ Forgn. Cntries. £ | 1,083, | 1,023, | 331, | 190, | 234, | 191, |
| *Total Imports* - | 5,981, | 6,342, | 1,900, | 1,333, | 1,314, | 1,182, |
| (III.) Exports.—Principal Articles of Colonial Produce (*real value*): — | | | | | | |
| Wool - - - £ | 1,180, | 1,000, | 676, | 788, | 668, | 320, |
| Live Stock - - £ | 78, | 37, | 16, | 15, | 24, | 7, |
| Hides - - - £ | 45, | 41, | 37, | 33, | 26, | 8, |
| Timber - - - £ | 62, | 82, | 17, | 17, | 7, | 14, |
| Tallow - - - £ | 164, | 135, | 146, | 167, | 25, | 1, |
| Gold - - - £ | 773, | 1,781, | 2,660, | — | — | — |
| Other Exports - £ | 1,748, | 1,447, | 1,052, | 337, | 306, | 398, |
| Destination of Exports: — | | | | | | |
| to Great Britain - £ | 2,307, | 2,980, | 3,607, | ,038, | 805, | 518, |
| „ British Colonies - £ | 1,624, | 1,480, | 978, | 193, | 228, | 145, |
| „ Forgn. Cntries. - £ | 119, | 63, | 19, | 126, | 23, | 85, |
| *Total Exports* - | 4,050, | 4,523, | 4,604, | 1,357, | 1,056, | 748, |

NEW SOUTH WALES.—TABLE (B.)—*continued.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Divisions. | 1854. | 1853. | 1852. | 1850. | 1846. | 1837. |
| (IV.) AGRICULTURE AND PASTURE:— | | | | | | |
| Acres in Crop - *No.* | 131, | 138, | 130, | 144, | 151, | 92, |
| Horned Cattle - *No.* | 1,576, | 1,552, | 1,495, | 1,374, | 1,140, | 850, |
| Sheep - - *No.* | 8,144, | 7,929, | 7,707, | 7,092 | 4,909, | 3,452, |
| (V.) EDUCATION:— | | | | | | |
| Schools - - *No.* | 413 | 420 | 351 | 493 | 338 | 140 |
| Scholars - - *No.* | 25,900 | 25,600 | 23,700 | 21,400 | 16,300 | 7,000 |
| (VI.) REVENUE:— | | | | | | |
| Territorial - - £ | 343, | 233, | 90, | 51, | 82, | 100, |
| Customs - - £ | 406, | 354, | 220, | | | |
| Inland Taxes - £ | 184, | 221, | 156, | 317, | 350, | 250, |
| Sundries - - £ | 28, | 50, | 62, | | | |
| Gold Revenue - £ | 278, | 129, | 154, | – | – | – |
| *Total Revenue* - | 1,239, | 987, | 682, | 368, | 432, | 350, |
| (VII.) SHIPPING:— | | | | | | |
| Entered Inwards *Tons* | 376, | 336, | 200, | 126, | 101, | 133, |
| „ Outwards „ | 410, | 341, | 176, | 176, | 99, | 130, |
| VIII.) MORTGAGES:— | | | | | | |
| On Land (amount) £ | 730, | 380, | 186, | 142, | 170, | 231, |
| „ Live Stock £ | 1,055, | 285, | 130, | 120, | 150, | 178, |

NOTE.—The three figures at unit end are omitted under all the heads *except* (I.) Population, and (V.) Education.

(C.) Victoria (*late Port Phillip: erected into a separate Province in* 1851).—*Progress* (exclusive *of New South Wales for the Years prior to* 1851) *as shown at Six Periods during the Thirteen Years* 1842–54.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Divisions. | 1854. | 1853. | 1852. | 1850. | 1846. | 1842. |
| (I.) Population:— | | | | | | |
| White Persons in Col. at End of Year *No.* | 273,000 | 230,000 | 170,000 | 77,300 | 32,900 | 11,700 |
| Total Immigrants arrived in Year - *No.* | 84,000 | 92,000 | 95,000 | 10,760 | 3,700 | – |
| (II.) Imports (*real value*):— | | | | | | |
| from Great Britain £ | 10,942, | 9,092, | 2,013, | 517, | 232, | 145, |
| „ British Cols. £ | 4,500, | 2,918, | 1,028, | 102, | 22, | 120, |
| „ Foreign Countries - £ | 2,217, | 3,833, | 1,029, | 126, | 61, | 11, |
| *Total Imports* - | 17,659, | 15,843, | 4,070, | 745, | 315, | 277, |
| (III.) Exports.—Principal Articles of Colonial Produce (*real value*):— | | | | | | |
| Wool - - - £ | 1,618, | 1,652, | 1,063, | 826, | 351, | 146, |
| Salt Provisions - £ | 30, | 31, | 9, | 23, | 13, | 1, |
| Live Stock - - £ | 66, | 56, | 36, | 29, | 29, | 27, |
| Tallow - - - £ | 22, | 13, | 60, | 133, | 3, | 1, |
| Gold - - - £ | 8,255, | 8,644, | 6,136, | – | – | – |
| Other Exports - £ | 1,784, | 665, | 148, | 31, | 19, | 25, |
| *Total Exports* - | 11,775, | 11,061, | 7,452, | 1,042, | 415, | 200, |

VICTORIA. — TABLE (C.) — *continued.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Divisions. | 1854. | 1853. | 1852. | 1850. | 1846. | 1842. |
| (IV.) AGRICULTURE AND PASTURE: — | | | | | | |
| Acres in Crop - *No.* | 55, | 34, | 37, | 52, | 31, | 8, |
| Horned Cattle - *No.* | 482, | 431, | 391, | 386, | 231, | 50, |
| Sheep - - *No.* | 5,332, | 6,551, | 6,590, | 5,130, | 1,792, | 782, |
| (V.) EDUCATION: — | | | | | | |
| Schools - - *No.* | 216 | 157 | 98 | 61 | – | – |
| Scholars - - *No.* | 14,000 | 11,000 | 7,000 | 4,000 | – | – |
| (VI.) REVENUE: — | | | | | | |
| Territorial - - £ | 1,426, | 1,553, | 730, | – | – | – |
| Customs - - £ | 853, | 773, | 330, | – | – | – |
| Inland Taxes - - £ | 190, | 40, | 40, | – | – | – |
| Sundries - - £ | 296, | 114, | 97, | – | – | – |
| Gold Revenue - £ | 457, | 721, | 438, | – | – | – |
| *Total Revenue* - | 3,223, | 3,202, | 1,635, | 260, | 96, | 87, |
| (VII.) SHIPPING: — | | | | | | |
| Entered Inwards *Tons* | 794, | 721, | 408, | 108, | 40, | 43, |
| „ Outwards „ | 799, | 664, | 350, | 87, | 35, | 34, |
| (VIII.) MORTGAGES: — | | | | | | |
| On Land (amount) £ | – | 991, | 234, | 154, | 36, | 270, |
| „ Live Stock (amt.) £ | – | 818, | 124, | 224, | 100, | 24, |

(D.) Tasmania (*late Van Diemen's Land*). — *Progress as shown at Six Periods during the Thirteen Years* 1842–54.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Divisions. | 1854. | 1853. | 1852. | 1850. | 1846. | 1842. |
| (I.) Population:— | | | | | | |
| White Persons in Colony at End of each Year; viz. — | | | | | | |
| Free Persons - *No.* | 53,000 | 49,000 | 44,000 | 48,000 | 46,000 | 39,000 |
| Convicts - - *No.* | 16,000 | 17,000 | 19,000 | 20,000 | 24,000 | 20,000 |
| *Total* - - | 69,000 | 66,000 | 63,000 | 68,000 | 70,000 | 59,000 |
| (II.) Imports (*real value*):— | | | | | | |
| from Great Britain £ | 1,776, | 1,506, | 535, | 535, | – | – |
| „ British Colonies - - £ | 696, | 595, | 223, | 105, | – | – |
| „ Foreign Countries - - £ | 132, | 172, | 102, | 18, | – | – |
| *Total Imports* - | 2,604, | 2,243, | 860, | 658, | 561, | 587, |
| (III.) Exports. — Principal Articles of Colonial Produce (*real value*):— | | | | | | |
| Wool - - - £ | 325, | 326, | 245, | 248, | – | – |
| Grain - - - £ | 147, | 315, | 286, | 118, | – | – |
| Timber - - - £ | 320, | 443, | 89, | 55, | – | – |
| Gold Ore - - £ | 65, | 217, | 497, | – | – | – |
| Other Exports - £ | 576, | 455, | 392, | 192, | – | – |
| *Total Exports* - | 1,433, | 1,756, | 1,509, | 613, | 582, | 582, |

TASMANIA. — TABLE (D.) — *continued.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Divisions. | 1854. | 1853. | 1852. | 1850. | 1846. | 1842. |
| (IV.) AGRICULTURE: — | | | | | | |
| Acres in Crop - *No.* | 172, | – | 124, | 168, | – | – |
| Horned Cattle - *No.* | 104, | 91, | 69, | 82, | – | – |
| Sheep - - *No.* | 1,831, | 1,942, | 2,219, | 1,822, | – | – |
| (V.) EDUCATION: — | | | | | | |
| Schools - - *No.* | – | 128 | 96 | 79 | – | – |
| Scholars - - *No.* | – | 3,900 | 4,036 | 3,712 | – | – |
| (VI.) REVENUE: — | | | | | | |
| Land Revenue - £ | – | 90, | 42, | 28, | 15, | 22, |
| General - - - £ | 275, | 258, | 181, | 135, | 108, | 122, |
| *Total Revenue* - | 275, | 348, | 223, | 163, | 123, | 144, |
| (VII.) SHIPPING: — | | | | | | |
| Entered Inwards *Tons* | 198, | 192, | 135, | 104, | 75, | 83, |
| „ Outwards „ | 200, | 188, | 135, | 105, | 79, | 83, |

I have been compelled, even after diligent inquiry, to insert this Table (D.) with many blank spaces; and the same remark applies to the next Table, (E.).

(E.) SOUTH AUSTRALIA. —*PROGRESS as shown at SIX PERIODS during the THIRTEEN YEARS* 1842–54.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Divisions. | 1854. | 1853. | 1852. | 1850. | 1846. | 1842. |
| (I.) POPULATION:— | | | | | | |
| White Persons in Colony at End of each Year, viz.:— | | | | | | |
| Males - - *No.* | 50,000 | 43,000 | 36,000 | 35,000 | – | – |
| Females - - *No.* | 43,000 | 36,000 | 32,000 | 29,000 | – | – |
| *Total* - - | 93,000 | 79,000 | 68,000 | 64,000 | 25,000 | 17,000 |
| Immigrants arrived in Year - - *No.* | 12,000 | 7,000 | 7,000 | 3,000 | – | – |
| (II.) IMPORTS (*real value*):— | | | | | | |
| from Great Britain £ | 1,628, | 1,734, | 518, | 535, | 174, | 93, |
| „ British Cols. £ | 392, | 425, | 244, | 277, | 141, | 69, |
| „ Other Cntries. £ | 127, | 177, | 36, | 33, | 35, | 8, |
| *Total Imports* £ | 2,147, | 2,336, | 798, | 845, | 350, | 170, |
| (III.) EXPORTS (*real value*):— | | | | | | |
| Wool - - - £ | 206, | 240, | 120, | 131, | 107, | 30, |
| Copper - - - £ | 95, | 180, | 360, | 353, | 141, | – |
| Grain - - - £ | 320, | 260, | 200, | 40, | 27, | – |
| Gold - - - £ | 500, | 1,360, | 873, | – | – | – |
| Other Exports - £ | 201, | 201, | 234, | 46, | 38, | 45, |
| *Total Exports* - - | 1,322, | 2,241, | 1,787, | 570, | 313, | 75, |

SOUTH AUSTRALIA.—TABLE (E.)—*continued.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Divisions. | 1854. | 1853. | 1852. | 1850. | 1846. | 1842. |
| (IV.) AGRICULTURE:— | | | | | | |
| Acres in Crop - *No.* | 130, | – | – | 65, | 33, | 20, |
| Horned Cattle - *No.* | 74, | – | – | 68, | – | – |
| Sheep - - - *No.* | 1,768, | 1,500, | – | 897, | – | – |
| (V.) EDUCATION:— | | | | | | |
| Schools - - *No.* | 125 | 111 | 100 | 99 | – | – |
| Scholars - - *No.* | 5,400 | 5,200 | 4,400 | – | – | – |
| (VI.) REVENUE:— | | | | | | |
| General - - - £ | 445, | 248, | 128, | 146, | 52, | 40, |
| Land - - - £ | 394, | 314, | 186, | 114, | 60, | 50, |
| *Total Revenue* - | 840, | 562, | 314, | 260, | 112, | 90, |
| (VII.) SHIPPING:— | | | | | | |
| Entered Inwards *Tons* | 146, | 131, | 101, | 86, | 25, | 13, |
| „ Outwards „ | 143, | 128, | 108, | 88, | 24, | 13, |

The two next Tables (F.) and (G.) relate to the Revenue and Expenditure of Victoria in 1853 and '54.

(F.) Victoria. — *Revenue for the Two Years ended 31st December*, 1853–54.

| | 1853. | 1854. |
|---|---|---|
| | £ | £ |
| **Gold Revenue :—** | | |
| Gold Licences | 661,000 | 395,000 |
| Other Sources | 60,000 | 62,000 |
| | 721,000 | 457,000 |
| **Customs :—** | | |
| Spirits | 561,000 | 512,000 |
| Tobacco | 119,000 | 127,000 |
| Other Articles | 93,000 | 214,000 |
| | 773,000 | 853,000 |
| **Territorial :—** | | |
| Sale of Land | 1,497,000 | 1,358,000 |
| Other Sources | 56,000 | 68,000 |
| | 1,553,000 | 1,426,000 |
| **Miscellaneous :—** | | |
| Postage | 26,000 | 67,000 |
| Spirit Licences | 14,000 | 123,000 |
| Other Sources | 114,000 | 296,000 |
| | 144,000 | 486,000 |
| Total | £3,202,000 | £3,223,000 |

I have no means of stating, in the detail above, the Revenue of 1855. It is given generally, as having been 2,660,000*l* (for 1855). In 1855, the Licensing system for Gold Mining was abandoned, and an Export Duty of 2*s*. 6*d*. per oz. was substituted. This Export Duty came into force on 1st May, 1855; and during the Eight Months ended 31st December, 1855, produced 231,000*l*., which was included in the Customs Duty Receipts.

(G.) VICTORIA. — *OUTLINE of EXPENDITURE in* 1853.

| | £ | £ |
|---|---|---|
| PUBLIC WORKS: — | | |
| Roads and Bridges | 556,000 | |
| Improvement of Melbourne and Geelong | 100,000 | |
| Improvement of Ports | 144,000 | |
| Government Buildings | 350,000 | |
| Various | 300,000 | |
| | | 1,450,000 |
| POLICE: — | | |
| A force of 2000 men at 8*s.* to 10*s.* per day, besides quarters, rations, and clothing | | 850,000 |
| Education | | 140,000 |
| Post Office | | 150,000 |
| Criminals | | 160,000 |
| | | 2,750,000 |
| Portion of Land Fund allocated to Immigration | | 600,000 |
| Expenditure, 1853 | | £3,350,000 |

NOTE. — The Expenditure for 1854 was, according to Mr. Westgarth's Report of May, 1856, as much as 6,043,000*l.*; and for the Five Years 1850–54 Mr. Westgarth's figures admit of the following abstract: —

VICTORIA. — *Revenue and Expenditure.*

| Year. | Revenue. | Expenditure. | Deficit. | Surplus. |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| 1850 | 260,000 | 197,000 | – | 63,000 |
| '51 | 486,000 | 398,000 | – | 88,000 |
| '52 | 1,577,000 | 735,000 | – | 842,000 |
| '53 | 3,202,000 | 3,490,000 | 288,000 | – |
| '54 | 3,201,000 | 6,043,000 | 2,842,000 | – |

In 1854, a sum of 1,735,000*l.* was raised on loan; and in 1855, a further sum of 513,000*l.*

The large deficit of nearly 3 Millions in 1854 arose from the wholesale manner in which the Colonial Legislature undertook public works.

N.

# APPENDIX XXX.

PRICES AND WAGES IN THE COLONY OF VICTORIA, 1851–56; WITH A STATEMENT OF THE ORDER AND EXTENT OF THE CHANGES PRODUCED LOCALLY BY THE GOLD DISCOVERIES OF 1851.

## I.

THE commercial history of Melbourne, the Chief City of the Colony of Victoria, during the Five Years and a half from Aug. 1851, to the close of 1856, — that is, from the occurrence of the first decided effects arising out of the Gold Discoveries, to the gradual recovery by the Colony of the settled condition which prevailed prior to 1851, — is probably one of the most complete and interesting examples to be any where found of the mode in which a vast and sudden influx of real wealth first disorganises and then reconstructs a community.

In the case of California, we have neither the same abundant store of authentic evidence, nor, even if the series of facts was complete, would the example be of the same interest and value as in the instance of Melbourne. In California the discoveries of 1848 found scarcely the traces of a regular society; and for two or three years San Francisco and the gold region of the Sierra Neuvada were so completely in the possession of a race of gambling and riotous adventurers, that we cannot regard the commercial history of the New American State as throwing, until within the last two or three years, any strong or steady light upon economical problems.

But in Victoria, as in New South Wales, there was, long prior to the events of 1851, all the rudiments of an orderly and growing State. There was a powerful central authority — equal laws — perfect individual liberty — a population including wholesome proportions of the sexes — solid and respectable Banking institutions — regular and frequent communication with the mother Country — and a fair command of the species of capital necessary for the development of a new region.

It was in the midst of an English society so constituted that, in the summer of 1851, nearly three years after the rise of California, there occurred the sudden influx of vast wealth, in the form of quantities of Gold, obtained by applications of the rudest kind of labour to the washing or sifting of the upper surface of tracts of country of great extent.

To ascertain as precisely as possible what was the order and character of the changes which so great a discovery produced in the commercial arrangements of Victoria, can scarcely be an useless inquiry; and as some contribution towards a practical answer, I have collected the evidence contained in this Appendix.

In the first place, I have sought to condense from a variety of sources a Narrative of the course of Trade and Prices in Melbourne from 1851 to the close of 1856, expressed in the precise language of persons writing on the spot from time to time, and describing occurrences in which they had a personal pecuniary interest. In other words, I have sought, in the leading Commercial Circulars despatched from Melbourne, a history of the Commerce of Melbourne.

But to have stopped at that point would have been to leave the inquiry only half completed.

The language of Commercial Circulars is only of real value when framed into a commentary on a carefully adjusted Table of Prices. The general phrases of the one may then be compared with the specific variations of the other; and the mere figures, which taken alone might fail to suggest the proper inference, become intelligible when examined by the aid of a contemporary exposition.

It will be readily conceived that, in the earlier periods of the excitement in Melbourne, there was no small hurry and confusion even in the preparation of Prices Current; and I might say, perhaps, with great truth, that to any one in search of a task which shall fairly try his patience, the construction of such a Table as I now present might be appropriately recommended. I will not venture to say that all the figures are perfectly accurate; because I do not think that any materials are accessible in this country for constructing an exhaustive Table; but I think I may affirm that I have not allowed the Table to pass out of my hands until I have satisfied myself that practically and substantially it may be accepted as a secure basis on which to reason.

## II.

Adopting, then, the evidence made available by these means, what are the general conclusions to which it leads, as regards the Order and Nature of the Commercial Changes in Melbourne, flowing from the vast and sudden Influx of Gold in the autumn of 1851 ?

First, as to the chronological sequence of the changes: —

(1.) For two years, *or from August*, 1851, *to July*, 1853, the difficulties in Victoria consisted, in general terms, of the insufficiency of the supply of Commodities and Accommodation compared with the requirements of a Population in the receipt of large Incomes either as wages or profits; and increased week by week, and even day by day, by the arrival of thousands of Immigrants. We may call this first interval the Period of Excessive Demand.

(2.) During the six months — *July*, 1853, *to Dec.* '53,— there were observable the first indications of a reaction. Supply began rapidly to overtake demand; the pressure of crowds of persons, and of large amounts of capital, into the business of the retail and wholesale trades, reduced profits; and under the influence of reduced profits, increase of houses, and the more easy dispersion of the old and new population, the value of Land and fixed property in Melbourne fell seriously in market price. This may be called the Period of Transition.

(3.) During the whole of the twelve months — *Jan.* '54 *to Jan.* '55 — the reaction of the preceding period became a Commercial Crisis of the most severe character. The supplies of every conceivable class of articles had become and continued to be perfectly overwhelming. For several descriptions of goods, especially for Cottons, Woollens, and other Textile Fabrics, the quotation of regular prices became impossible. The invoices were disposed of by auction; and, in the words of the Circular of 23rd Sep. '54, "at the auction rooms no reference what-"ever is made to cost prices:" the single and absorbing object was to get rid of the cargoes at *any* price. Bankruptcies became of daily occurrence, especially during the last four months of 1854; and it seems to be ascertained that the amount of the Failures in Melbourne alone in 1854 were not less than 250 in number; not less than 1½ Millions in amount as regards Liabilities; and did not yield a larger average ultimate dividend to the

creditors than about 10 per cent. The year 1854 was, then, emphatically a year of Commercial Crisis.

(4.) From *Feb.* 1855 *to Aug.* 1855, there prevailed a more settled and hopeful state of Trade. The torrent of Imports was abated; and prices began slowly to recover some degree of steadiness. We may call these seven months the Period of Revival.

(5.) But following this partial revival, there occurred, during the last four months of 1855 — *Sept.* 1855 *to Dec.* '55 — a severe depression in the Labour market. Thousands of Immigrants had continued to arrive month by month during the commercial pressure; and during the period when a revenue seriously reduced had compelled the Colonial Government to suspend no small part of the Public Works. By the autumn of 1855, therefore, the Colony had arrived at a point — the first since 1851 — when the supply of Labour became temporarily in excess of the demand; and the question of a *reduced Rate of Wages* had to be considered in its most urgent form by a large number of persons seeking employment. We may call these four months the First Period of Lower Wages.

(6.) Lastly, during the *whole of* 1856 there has been in Melbourne and Victoria generally a quiet and steady state of trade — supply reasonably adjusted to demand — and the prevalence of a settled economy of Gold Digging, altogether different from the indiscriminate application and the uncertain reward of labour in the years 1851 and '52, and even 1853. The year 1856 we may therefore call the First Period of Unexcited Prosperity.

If these were the Six stages by which the Colony gradually regained its normal condition, let us see what was the character of the influences which produced the first decided disturbance.

## III.

There can be no uncertainty in replying to this question — for it is clear, beyond all doubt, that the whole of the train of commercial and social phenomena in Victoria, subsequent to Aug. 1851, resolve themselves into consequences flowing from the sudden increase in the proportion of about 4 to 1 of the Wages of all kinds of Labour; but especially in the Wages of the most numerous class of Labourers, namely, those possessing no peculiar kind of skill.

The average earnings at the Gold Fields were quickly ascertained to be 8*l.* or 10*l.* per Week; and, making allowance for the risks, discomforts, and dangers of the actual labour of Gold Digging, the practical result was that workmen could only be retained in Melbourne by wages of 6*l.* or 7*l.* instead of 1½*l.* or 2*l.* per Week.

The Incomes, then, of the whole Working Population * were suddenly raised in the proportion of about 300 per cent.; every man's pound became four pounds,—every man's means of expenditure became four times greater than before; and the *demand* for all those articles which constitute the necessaries, comforts, and luxuries of a vigorous working population, was increased four-fold; or, to state the same result in probably a more effective mode,— for every article for which there had been but *one* buyer there suddenly appeared *four* buyers.

The immediate consequence was a sudden and enormous rise in the prices of Spirits, Beer, Butcher's Meat, Tobacco, Sugar, Tea, Coffee, Slop Clothing, Mining Tools, Carts, Horses, Harness,—and all similar commodities; and if it was necessary to trace the phenomena step by step,— and it is not necessary to do so,—we should confirm merely, by a multitude of cases in detail, the general conclusion sufficiently clear without such an investigation, namely, — That the Rise of Prices followed precisely the increase of Expenditure, arising out of the augmented *Incomes* of the inhabitants of the Colony. And further, that the Incomes so augmented were necessarily reached in an ascending scale—that is to say, that the Incomes first augmented were those of the Humblest Class of Unskilled Labourers,— next, the Incomes of Skilled Labourers,—then the Incomes of Retail Dealers,—and so on in an upward progression: And we may advance one step further in the generalisation, and say, that, under the peculiar circumstances of the case, the ordinary relations of Capital and Labour were reversed, inasmuch as the Wages of Labour were not raised 300 per cent. in consequence of large applications of capital to any particular class of enterprises; but the requirements for Capital and the Profits of capital were increased in consequence of the expenditure of the quadrupled incomes of the Labourers.

* The total population of Victoria in August, 1851, was probably about 100,000 *persons* of both sexes and all ages, — perhaps the adult males of all classes might be about 60,000 in number.

But the Quadrupled incomes of the Labourers, — obtained suddenly without any prior application of large amounts of Capital, and obtained in a form which admitted of their immediate expenditure, — depended for these peculiar conditions upon the simple circumstance that the commodity obtained by the Labourers was in the form of pieces of Gold Bullion, picked up by hand in a state which admitted of their immediate transfer as articles of value. The Gold Bullion was an universal equivalent, not merely in Australia, but in all commercial countries; and hence the appearance of a body of Labourers plentifully supplied with pieces of Gold Bullion at once extended the sphere of the effective demand for all commodities desired by the possessors of the Bullion.

## IV.

We must not omit to observe the completeness with which the Rise of Prices in Victoria, as a consequence of the expenditure of the whole or part of the Quadrupled Incomes of the labourers, was accomplished and maintained for a considerable period, notwithstanding the insufficiency of a Circulating Medium of Coin and convertible Bank Notes.

For about a year after August, 1851, the price of Gold Bullion per ounce, paid for in Coin or convertible Bank Notes, was under 60*s.*, or, assuming the full value to be 77*s.*, nearly 20 per cent. below its value; and the selling rate for Bankers' Bills on London at 30 days' sight, was about 10 per cent. discount,—in other words, a Bill on London for 100*l.* sold in Melbourne for 90*l.* in coin. These were strong proofs that the quantity of Coin in the Colony was inadequate,—so inadequate indeed, that 1 ounce of Gold in the form of *Coin* exchanged for 1¼ ounces of Gold in the form of *Bullion.*

But the straitness of the Circulating Medium did not in the least prevent the Prices of Commodities from rising *pari passu* with the increase of the demand. I am far from saying that rude expedients of barter were not extensively resorted to; or that gold bullion did not in numerous cases become a medium of purchase, not by *tale,* but by *weight.* The Gold Bullion in the hands of the miners was capital, the whole or a portion of which they desired to expend in commodities; and we have before us the clear and positive fact, that the appearance in the market of these amounts of capital in the hands of persons anxious to become buyers, produced its full and natural in-

fluence in raising Prices, notwithstanding the difficulties connected with the command of a circulating medium of Coin and Bank Notes. We may indeed go a step further, and say that the greatly extended quantity of Coin and Bank Notes ultimately employed in Victoria in 1853 and 1854, was a *consequence* and not a *cause* of the High Prices. The Circulating Medium of Coin and Bank Notes was the instrument; but in a community so far advanced in the application of the resources of Banking and Credit, the augmented Incomes of the Labourers, and the augmented Profits of the owners of Capital, were the real causes of the Higher Price of Commodities.

The same law of the dependence of current prices upon the proportion borne by the supply of commodities to the demand for them, was perhaps still more strongly illustrated by the circumstances of the Commercial Crisis in Melbourne throughout the whole of 1854. All difficulties of insufficient Circulation had then passed away,—the number of Banks had been increased,—the advances and discounts of the Banks had risen from 1 million to 7 millions,—the produce of the Gold Fields was 12 millions per annum,—and the population had been doubled. But the importations of commodities were overwhelming, and whole cargoes were literally wasted on the wharves.

## V.

The great Climax of Prices and of the Wages of Labour in the Autumn of 1852, and the early part of 1853, was the effect of two principal causes,—namely, first, of the absorption of an increasing number of Labourers at the Gold Fields,—of the high average Earnings of these labourers,—and of the Expenditure of the whole or part of those earnings in commodities which could only be procured by the aid of capital:—And second, of the extensive applications of Capital in the purchase of materials and the hire of labour for the erection of the houses, shops, &c., required by the extending trade of the Colony. For a time, the Incomes of every class continued to increase, and all fixed property yielded an almost daily increasing revenue. But crowds of immigrants reduced the average earnings of the miners—and therefore the pressure of buyers; Stocks of Goods, imported at high rates, did not sell; and further imports of goods reduced the market value of the entire quantity to prices ruinous to the first holders; and thence, by gradual steps—by the arrival of fresh labourers, and the arrival of more goods—the level of Wages, and of Prices for certain kinds of commodities,

in Melbourne, was reduced to the level prevailing, *cæteris paribus*, in other countries.

We shall find however, throughout the whole of the annexed Tables, constant proofs of the operation of the principle,—That at the root of all the variations of Price in Melbourne lay the expenditure by the Labourers of the whole or part of their augmented Incomes.

We shall find constant reference to the dependence of the markets upon the large summer (September to March) demand at the Gold Fields; and we shall find that, throughout the entire range of those articles, the supply of which did not admit of being materially increased by importation — the production of which could only be effected by colonial labour, and even then could not be rapidly extended—the High Prices of 1851–2 have not undergone much reduction.

I refer particularly to such commodities as Butcher's Meat, and Farm Yard and Dairy Produce; and with reference to articles of this class, we find the following figures:—

| *Articles.* | 1852. | 1856. |
|---|---|---|
| Beef - | *lb.* 3*d.* - | - 7*d.* |
| Butter - | „ 24*d.* - | - 42*d.* |
| Geese - | *each* 10*s.* - | - 18*s.* |

Garden Produce was for some time even more extravagantly dear than Geese or Butter. A single Cabbage, for example, is returned as selling for 5*s.* early in 1854; but Garden Cultivation admits of comparatively easy extension, and at the close of 1856, Cabbages had been reduced, by enlarged supplies, to 2*d.* each.

The Commodities *first* to fall in Price, and to remain at comparatively low rates, have been all those commodities, the supply of which admits of being constantly increased by Importation; and the imported commodities, which were the first to be supplied in excess, and have continued to be most abundant, are all kinds of Textile Fabrics.

The fall in the price of all kinds of Imported Commodities occurred at an early period, and the low prices have been continued. The fall in House Rent occurred about the same early period, and has been more or less continued. No material fall had occurred in 1856, in a large number of articles of food and necessity producible only within the Colony. The general rate of Wages has fallen considerably since the culminating point of 1853; and the fall has been governed by the two

elements of the decline of the average earnings of the Gold Diggers, and the arrival of large numbers of persons, who entered the Colony with the specific object of working for wages in the larger or smaller towns.

VI.

As the general result of the whole series of facts relative to the Colony of Victoria, during the six years 1851–56, we are justified in adopting the following conclusions; and it will be convenient on many grounds that the several steps of the induction should be stated as fully as possible: —

1. That the first and immediate effect of the Discovery of Gold, in a form which admitted of its extraction from the soil by Unskilled Labour in a shape susceptible of immediate employment for purposes of expenditure or investment, was to Quadruple the Wages of all kinds of Labour; and by the expenditure, as Income, of the whole or portions of those Wages, to occasion higher prices,—in the first instance, of the commodities earliest sought by the Miners,—then higher prices of all other commodities,— and ultimately, by an order of progression, beginning with the lowest class of Labourers and ascending to the richest Capitalists, to occasion larger profits and larger incomes to all the classes in the Colony.

2. That, in general terms, therefore, the first effect of the Gold Discovery was to confer upon the Labourers in the Colony the full benefit of what, in effect, amounted to a Quadrupled demand for Labour at Quadrupled Wages; and attended moreover with the peculiarity that, as the Quadrupled Wages did not arise from the production for sale, after more or less delay, of some artificial commodity; but in the extraction, by the Labourers themselves, of an universal instrument of exchange of intrinsic value, the process of distribution proceeded from the Labourers to the Capitalists, instead of from the Capitalists to the Labourers.

3. That the two elements which, as a matter of fact, between the close of 1851 and the close of 1856, have regulated the Rate of Wages in Victoria, have been — (1), the increase, by Immigration, of the number of Labourers;—and (2), the decline of the average earnings at the Gold Fields of the increasing number of persons who have resorted to them. An exception, however, to this law occurred in 1853–54, when the speculative expenditure—chiefly in Building—of large amounts of Capital,

contributed for some time to counteract the tendency of a large Immigration to reduce the rate of wages.

4. That the Prices of Commodities in Melbourne, since the autumn of 1851, divide themselves into three distinct groups; namely, — (1.) The Prices of those Commodities — principally Foreign and Tropical Produce, and articles of Textile or other manufacture — the supply of which, in Victoria, admitted of being readily increased by Importations from the United Kingdom, the United States, and elsewhere: — (2.) The Prices of those Commodities — principally Farm Yard and Garden Produce — which, admitted only of production within the Colony, but of production capable of somewhat rapid extension: — and (3.) The Prices of those Commodities — principally Butcher's Meat and certain kinds of Agricultural Produce — also producable only in the Colony, but of a nature not susceptible of important or speedy additions to the supply.

5. That, as regards the First group of Commodities—namely, those obtained by Importation — the supply, so early as the summer of 1853, became, and for a long period continued to be, enormously in excess of the demand, entailing, of course, a range of prices in many cases far below the cost of production at the place of shipment. That the Second group of Commodities — those involving some Colonial Labour and outlay — commanded for a time high prices; but in many instances the increased supplies have already corrected the whole of the extra rates, and in other instances considerable reductions have taken place. That in the Third group of Commodities — those involving protracted applications of Colonial Capital and Labour — the sustained demand has hitherto kept pace with any increased supply.

6. That hence the general result has been, that within a comparatively short period after the establishment of Rates of Quadrupled Wages, the Labourers of the Colony had the advantage of an exceedingly low range of prices of nearly all Imported articles; and of falling prices of all articles of Colonial Production, the supply of which admitted of comparatively easy extension.

7. That further, as a general deduction, to the close of 1856, it may be affirmed that, while Wages and Prices in Melbourne have each been determined by their own special elements of supply and demand, — the decline in the Prices of Commodities has hitherto proceeded faster, and to a greater extent,

measured as a per-centage of any given sum, than the decline in Wages:—and hence, that to the close of 1856, the Labourers have enjoyed a high prosperity under the operation of those causes, which have given them all the benefits arising from a Quadrupled local demand for Labour; and many of the benefits arising from the excessive supplies, and therefore the falling prices of Commodities.

8. That, seeking to express the same result in fewer words, it is true:—That, while the Wages of Labour in Melbourne have risen to the full extent of the local demand for Labourers; those Wages have not been reduced in money amount in consequence of the increasing cheapness of Commodities.

9. That further;—pursuing the same line of investigation, we are justified in adopting four leading deductions, viz.: —(1.) That the effect of the increased supplies of Gold in Victoria, in largely increasing the Prices of Commodities within the Colony, was *temporary* as concerns the most numerous class of commodities. (2.) That the production, in other countries, of all Commodities admitting of export to Victoria, was prodigiously stimulated. (3.) That the real or supposed demand for those Commodities in Victoria occasioned, in the places of their production, first a large demand for labour, then somewhat higher wages, and then somewhat higher prices of several kinds of articles chiefly consumed by labourers. (4.) That the effect of the extensive imports of Commodities into Victoria was mainly threefold, namely — first, to benefit the Labourers of Victoria by the increased cheapness of goods; second, to withdraw from Victoria, in payment for those goods, the accumulated quantities of New Gold; and third, to maintain in employment an increased number of Labourers in the countries from which the Imports into Victoria were drawn.

10. That hence, the effect of the increased supplies of Gold in Victoria has been to set in motion a train of causes which has led rapidly to the diffusion of the New Gold among the mercantile countries of the world, by means of an increased employment of Labour throughout those countries in the production of Commodities, in the first instance, correctly or incorrectly, supposed to be required in Victoria; and in the second instance, in the production of Commodities for which a demand has arisen, not only in consequence of the expenditure of the larger incomes of the labourers and capitalists in Victoria, but also in consequence of the expenditure of the larger incomes of the Labourers and

Capitalists throughout the commercial world, — and especially in those countries which, like Great Britain, produce the largest number of manufactured articles entering into general consumption.

11. That, while in Victoria the New Gold became distributed by the expenditure of the Labourers who actually obtained it from the soil—the process of distribution proceeding, therefore, from the Labourers to the Capitalists,—in the countries in commercial communication with Victoria, the steps of the Distribution were reversed, but the ultimate result remained the same, namely, — the increased demand for goods, in the first instance for export to Victoria, raised the profits of capitalists, and led to the employment of more Labour for the production of more goods — the distribution proceeding, therefore, from Capital to Labour; but in foreign countries, as well as in Victoria, the diffusion of the New Gold has been effected almost wholly by enlarged Expenditure in the employment of Labour.

12. That this process has been maintained year by year because the production of New Gold has been maintained year by year; and that the range of Prices, neither in Victoria nor in other mercantile countries, has been raised in any proportion corresponding to the quantities of New Gold raised and distributed,—for three reasons; namely: (1.) The distribution of the Gold itself has only been accomplished by an increased employment of Labour for the production of an increased quantity and number of commodities;—(2.) That the increase of transactions and exchanges arising out of this extended production has, *ipse facto,* rendered necessary a larger amount of Gold as a Circulating Medium; — and (3.) That the stimulus imparted to all descriptions of Enterprise and Discovery, by the springing up of a constant and active demand for commodities, has already led to the planting, in new, extensive, and distant regions, establishments and communities, carrying with them the vigour and resources of western civilisation.

N.

MELBOURNE, 1851–56.— *Extracts from Commercial Circulars dispatched from Melbourne to Correspondents in England.*

[The following extracts, to the close of 1854, have been nearly all obtained from the very valuable series of Circulars issued by the firm of Westgarth, Ross, and Co., at Melbourne, — a firm having as its senior partner the William Westgarth whose name is so honourably connected with the history of Melbourne since 1850.

The later extracts are chiefly from the elaborate commercial reports of the Melbourne *Argus*, a daily newspaper, displaying in all its departments the command of great resources; and conducted with an energy, ability, and independence which do infinite honour not only to the staff of writers who carry on, but also to the community who support, so efficient an instrument of Free Discussion.]

(1.) *Period of Excessive Demand, — August*, 1851— *July*, 1853.

"1*st Nov.* 1851.—The rush to the Diggings, more particularly during the last month, left the towns of Melbourne and Geelong in a great measure deserted by the male population; and many of the Labouring Class having left the farms and pastoral stations on which they were employed, serious fears were entertained that the Sheep Shearing, the Harvest, and other usual business of the country would not be accomplished. These apprehensions, however, have already begun to cease. The rewards at the Diggings are extremely uncertain, and the hardships and mode of life are not suited to all tastes and constitutions. Many are therefore returning to their former vocations.

"The Gold Discoveries have affected the rate of the exchange on London. The banks now charge 5 per cent. in discounting drafts at thirty days' sight, and this rate will probably increase during the present or succeeding month."

"1*st Jan.* 1852. — The general desertion of the able-bodied and Labouring Population for the Gold Fields has seriously inconvenienced the course of ordinary business and of social life. All Building and improving operations have, with scarcely any exception, ceased. The Wages of Labour have risen, in many instances, *threefold*, and occasionally hands are not to be procured for any consideration. Many families have been left entirely destitute of servants. The Crews of the Shipping have, more or less in all instances, deserted, some vessels being left quite destitute. The most serious fears are entertained for the safety of the harvest. An ample crop is at this moment ripening throughout the colony; and it is apprehended that with the small force of labour at command, and the rapidly maturing effect of the climate at this season, a large proportion of the grain must be lost.

"Although, as regards a great variety of articles of Merchandise, business may be said to have almost ceased, there has been a very spirited demand for others that happen to be suited to the new order of things in the colony. The unlimited demand for "Digger's Outfit" has caused extensive transactions in slop clothing, canvass and tarpaulings, tea, sugar, and flour, draught and saddle horses, drays and other vehicles. The consumption of

Spirits and Tobacco has greatly increased; and with the large increase of means in the hands of successful Diggers, a variety of luxuries in dress, jewellery, and other articles has been indulged in."

"1*st July*, 1852.—The effects of the Gold Discoveries have been gradually manifesting themselves in the advancing value of all Fixed Property, and of articles depending on Colonial Labour. The Government Land Sales of last month showed an advance in the value of Land equal to *threefold* within five or six months. From similar causes the expenses of business and daily life have been almost equally enhanced. The abundance of means throughout the community is calling into existence several undertakings of a public and beneficial character; such as a Company to introduce Water into Melbourne, a Railway in the direction of the Gold Fields, &c. There continues to be a great Passenger Traffic between the Colonies, and much inquiry for suitable steam vessels."

"1*st Aug.* 1852.—*Imports.*—Supplies, generally, have been very limited, in the face of greatly increased consumption, and imports for some time past have been chiefly from the adjacent Colonies. The Spirit Market has been nearly cleared out; Martell's and Hennessy's Brandies in particular being exceedingly scarce. The consumption of Brandy is likely to be promoted by the equalising duties under the anticipated new Tariff that is expected to be law about the 15th Aug. '52. Whisky, long superabundant, is now becoming scarce, and advancing in price. Bottled and Bulk Beer, more especially the former, continue at previous high rates. In Wines there has been a brisk demand for Ports of common and middling qualities; Sherries and Champagnes of the same qualities have also been in good request. The resumption of Building operations, now gradually taking place, increases the demand for Timber, Galvanised Iron, Sheet Lead, Sheet Zinc, nails and other materials. Canvass and Tarpaulings, which are now standard articles for the Gold Fields, continue to advance in price; but supplies from Britain may now be looked for. Watches and Jewellery have been eagerly bought up, and present supplies are wholly inadequate to the demand. Carts, Horses, Harness and other saddlery, and Digger's outfit generally, continue in great request. The supplies of Eastern produce have, generally, been moderate. The market is bare of Teas, particularly good Hyson Skins. Sugars have advanced slightly, and to rates profitable to importers. Coffee continues rather scarce, and Cigars have advanced enormously, owing to unusually light importations and an increased local consumption. Manilla patent rope continues high and scarce. The common qualities of Rice are still superabundant."

"27*th Sep.* 1852.—The effects of these extraordinary discoveries upon the market of the world have yet to be witnessed. In this Colony they are already most striking. There has been a rapid and extraordinary rise of all fixed and other Colonial property. House Rent has advanced from 100*l.* to 500*l.* and upwards per annum for moderately commodious dwellings. The new leases for good and central Shops and Hotels are being taken at 1000*l.* and 1500*l.* per annum; and properties which nine months since would have sold for 1000*l.* now readily command 10,000*l.* The expenses of living are proportionately increased.

"*Imports.*—The supply generally still continues limited as compared with the requirements of the colony. Most of the vessels now arriving from Britain are filled with passengers, to the exclusion of any considerable cargo."

"1*st Nov.* 1852.—The immense increase of business, the oppressive rush that is daily experienced in regard to the present influx of Shipping and Population, are the occasion of serious loss, inconvenience, and discomfort.

At the anchorage in Hobson's Bay, there are at the present date 117 ships or barques, and 33 brigs or schooners, besides steam-vessels, and about 70 sail of a lighter draft of water, which, as requiring a depth of not more than nine feet when loaded, are enabled to ascend the river to Melbourne. This amount of Shipping, unprecedented in extent, appears to be daily increasing, and forms altogether a surprising spectacle for this young colony. The greater part of the Crews of these vessels have deserted them shortly after arrival. The difficulties and delay in the first instance, in unloading their inward cargoes, are equalled by the difficulty and expense of subsequently manning the Ships for their departure; 40*l.* per month to each seaman being no uncommon rate of payment."

"1*st Jan.* 1853. — The crowd of Inpouring Population seems to increase daily. Besides an unprecedented Immigration from Britain, numbers of passengers begin to arrive from the United States and British America, from South Africa, from various colonies of the East Indies, and from Germany and other foreign parts. The total for the year has been estimated at the average of 2000 weekly; from which, however, are to be deducted the departures, at the rate of 500 weekly; leaving nearly 80,000 persons as the addition to the population of the colony during the past year, independently of parties who may have arrived overland from adjacent colonies, and of internal increase. The present population of Victoria may be estimated to amount to about 200,000 colonists, exclusive of the small and diminishing body of the aborigines.

"The increasing influx of such numbers of human beings into a new and as yet limited Colony, and a seaport of very limited accommodation, has been the occasion to many of these newly arrived persons of much privation and suffering, arising from the difficulty of procuring immediate settlement, and the deficient and expensive house accommodation. These difficulties have been partially removed by the philanthropic exertions of the Government and Public, in the erection of barracks and other house accommodation for purposes of temporary shelter to the Immigrants at a small charge, and also by the practice, now frequently adopted by the newly arrived colonists, of encamping themselves in Tents — a mode of life which the present summer season of the year renders healthful at least, if not comfortable, and, to many dispositions, even agreeable. Several villages, consisting entirely of tents, are now to be seen on the outskirts of Melbourne, the most considerable of which, on the rising ground to the south-east, exhibits upwards of one hundred of these airy mansions, containing a population estimated at 4000 souls, who are well supplied with shops and stores, and protected by police. Within the boundaries of Melbourne there are probably not less at present than 50,000 persons, being more than double the population as shown by the census of March, 1851; and the large suburb of Richmond and its vicinity contains many thousand more."

"11*th Feb.* 1853. — The Rate of Exchange on London was, on the 7th Feb. '53, suddenly raised to par by the local banks from a rate of 5 per cent. for their drafts on London at thirty days' sight. The Banks now purchase similar drafts at 2 per cent. discount. The price of Gold, which had previously advanced to the high rate of 73*s.* 6*d.* to 74*s.*, has taken another rise of 2*s.* per ounce, in consequence of these exchange arrangements.

"*Timber, &c.* — The demands for Building purposes and improvements have been excessive, and prices have still advanced to rates quite unprecedented. The increasing importations of "notions," and various articles of Furniture, from the United States, have found hitherto ready and profitable sales."

"1*st April,* 1853. — These Colonies begin to be threatened with something

of that abundance of money, and reduced rate of interest, that are now experienced in Europe. By the last accounts from Sydney the whole balance of the Sydney Railway Company's stock has been taken off the market; it bears a guaranteed minimum dividend of 5 per cent. A further important step has been taken by the newly established local Bank there—the Australian Joint Stock Bank—in reducing the Rates of Interest chargeable in discounting bills, namely, from 6 and 8 per cent. respectively on short and long paper, to 5 and 6 per cent. These are the lowest rates that have been hitherto current in these Colonies.

"*Imports.—Beer.*—Previous high quotations for Bottled Beer must still be increased, the supply having been quite inadequate.

"*Groceries, &c.*—The enormous prices for Cigars current for some months have brought in supplies from all quarters. After some slight advance in the earlier part of the month, prices have since dropped, although as yet only to a slight extent."

## (2.) *Period of Transition,—July '53—Jan. '54.*

"*2nd June*, 1853.—We have no longer the same bare Markets to report, which we have done for so many months past. The arrivals since the 1st May '53 have been extremely heavy, and, combined with the present condition of the roads, which has nearly closed the traffic to the Diggings, have had a most depressing effect upon prices generally. The principal arrivals during the month have been, from Great Britain, 46 ships, 22,857 tons; United States, 18 ships, 8,801 tons; India, 12 ships, 4,555 tons. Great difficulty is now experienced in discharging these Ships, from the inadequacy of the present means of transport from the Bay to the town. The accommodation at our wharves is also so limited, as compared with the immense traffic, that the small craft have to wait many days for a discharging berth. The present freight by lighters, from Ships in the Bay to the wharf, is 25*s.* to 30*s.* per ton; but we fear the minimum will speedily be 30*s.* to 40*s.* Large arrivals of American Flour have taken place; and it is feared, from the extensive shipments afloat of goods which will not find immediate sale, that there will be a deficiency of storage accommodation in town during the winter months. If such should be the case, we may look for a considerable sacrifice of some kinds of goods in forced sales, and also much destruction of property from exposure to the weather. Dealers are not heavily stocked; but in anticipation of further arrivals, and a still further decline, are unwilling to purchase beyond their immediate wants; and altogether the month closes with a decided lull in business generally. The greatest activity has, however, prevailed in the Timber Market, and the demand continues unabated at most excellent prices. For Eastern produce, also, the inquiry is good. Teas, Sugars, Spices, &c., are all scarce, and wanted at remunerative rates."

"*1st July*, 1853.—During the past month we have experienced a very great depression in almost every branch of business. The extensive arrivals about the end of May, 1853, have been followed up by others of equal magnitude, which have effected a complete revolution both in prices and demand. The outlet for merchandise to the country is closed for the next two months; and with the extensive shipments daily coming to hand, the great scarcity of storage in town is severely felt; store rent has risen to 4*s.* per ton per week, and even at that price much accommodation cannot be obtained. Many consignees would accept an extremely low figure for some descriptions of goods rather than incur this expense; but it is quite impossible to effect sales to any extent for this market. We hear of considerable contracts for unsound American flour at 10*s.* per barrel for shipment to Liverpool. The large stocks now in town and afloat cannot pass into consumption before the beginning of September '53; but we

expect a demand to spring up before that time in anticipation of the roads opening. The greatest activity has continued to prevail in the Timber Market, and all kinds of building materials are in great request."

"1*st Aug.* 1853. — During the month that has intervened since our issue of the 1st July, 1853, we have to report a depression in nearly every branch of business unexampled in our experience of the colony since the Gold Discoveries. The high prices which have lately been obtained for nearly all descriptions of Imports have had the natural effect of attracting shipments from all parts of the world, and every available market appears to have been ransacked to supply our wants. Building operations are being vigorously carried on in all parts of the town, and new villages are springing up in every direction; increased comfort in the way of House Accommodation will therefore await future emigrants. Considerable improvements have been effected on our Wharves; but the accommodation is totally inadequate to the immense traffic, and days, sometimes weeks, elapse, before a loaded lighter succeeds in getting a discharging berth. We experience somewhat less difficulty in giving despatch to foreign vessels — some captains of distinguished energy and good tact getting clear within the month. The market is still oppressed with the heavy stocks yet remaining in importers' hands, and we are unable to point to much improvement in prices generally.

"*Piece Goods, Drapery, Slops, &c.*, are again further depressed, and the market is perfectly glutted. We now see no prospect of improvement during the summer, as the arrivals continue out of all proportion to the wants of our market.

"*Timber* has again declined to our quotations, at which a large business is doing, but the supplies are quite equal to the demand.

"*Bricks* are now very low in price. The late high prices have called attention to their manufacture in the colony, and the local production is now nearly equal to the demand. The quality, however, is very inferior. *Coals* continue in good request."

"20*th Jan.* 1854. — Notwithstanding the immense *Deposits* held by the *Banks*, amounting to nearly 5¾ Millions sterling, and on which they allow no interest to depositors, the *Rates of Discount* are fully maintained; the only concession made to the public being the reduction of the rate on Bills above three months' date from 8 *to* 7 *per cent.* The Rates charged by all the Banks at this date are, — on *Bills* not exceeding 95 days' currency, 6 *per cent.* per ann.: exceeding 95 days, 7 *per cent.* In the neighbouring Colony of New South Wales, where a greater competition appears to exist for the business, the rates have recently been reduced to 4 *and* 5 *per cent.* per ann. on the same dated paper.

"Very little effort has yet been made to create within the Colony any of the Manufactures for which we are at present dependent on other countries. The local manufactories, with the exception of *Flour Mills*, are limited to a few Tanneries, Breweries, and Soap and Candle works. A Prospectus has lately been issued of a Joint Stock Company for the manufacture of *Paper*; and considering the extensive market which exists for their product, and that the raw material is at present of no value, the scheme is not without attraction.

"Our Commercial Report at the close of the year is of a very unsatisfactory nature. It is acknowledged that the amount of business transacted during the last two months has not equalled the expectations which were formed of it; while the Shipments from England, India, &c. have been on such an extravagant scale, that prices could not improve with double the consumption. For the remainder of the Summer, and the following Winter, we fear the prospects are not more cheering.

"Several *failures* have occurred during the last month, which, although not

to a very serious amount, have had the effect of creating a want of confidence in business circles, much to the prejudice of trade:

"*Imports.* — *Beer.*—The consumption this season has been very great, but the abundant supplies have effectually prevented anything like a repetition of the extreme rates of last year.

"*Piece Goods, Drapery, &c.*—This branch of business is, of all others, in the most unsatisfactory condition at present. With the exception of a very few articles, such as *White Drills, Light Doeskins, 72 in. Grey Cloths, Lace Edging, &c.* the market is perfectly glutted."

## (3.) *Period of Crisis,—Feb. '54—Feb. '55.*

"20*th July*, 1854. — The realisation of stocks laid in at the Gold Fields for the Winter appears to be very slow, and few orders have reached Town from that quarter. This circumstance, combined with the great overstock of many kinds of Goods in the Market, has made the present Winter a remarkably dull one, and the amount of business transacted has been limited in the extreme. The effect of this has been a large number of minor failures, —none of them, however, to any great extent as yet; and the circumstance of no less a sum than a quarter of a million sterling of discounted bills having fallen due the first week of the present month without casualty, speaks well for the stability of our dealers generally."

"23*rd Sep.* 1854. — The great depression which has so long prevailed in our Import Market continues to the present time without the slightest prospect of improvement. Prices have still a downward tendency; and we may expect this to be the case while the Imports continue on such an extensive scale.

"As the summer season advances we may expect to see a portion of our accumulating stocks move into consumption; but we have ceased to expect any improvement in prices, and must again impress upon Exporters the urgent necessity for suspending shipments for some months, as the only chance our Market has of rallying.

"The transactions in all branches of business continue on the most limited scale, and buyers for cash can almost dictate terms to needy holders. Owing to the numerous failures recently, credit is greatly curtailed. Money continues excessively scarce, partly owing to the great lock-up of funds in freight and charges on Unsaleable Goods.

"The number of Chinese in the Colony is estimated at 9,000, and 5,000 more are expected during the next monsoon.

"*Imports.—Piece Goods, Drapery, Slops, &c.* — This department of Import business becomes worse and worse. It is impossible to give quotations; but generally Invoices are placed at prices varying from English cost to 50 per cent. discount. *At the Auction rooms no reference whatever is made to cost prices.*"

"28*th Oct.* 1854.— The business transactions have been rather more numerous, but the tendency of prices has, upon the whole, been downwards, and we cannot at this date report any feeling of firmness. Our Shipping List shows a great falling off in the tonnage arriving from foreign Ports, while the return of Imports during the past three weeks shows an equally satisfactory decrease. The increased influx of passengers, meanwhile, continues; and these are the only satisfactory circumstances to notice in the prevailing depression.

"There is still the same want of confidence in nearly all classes of dealers; and from an indisposition on the part of Importers to grant Credits, heavy sales of goods are taking place at Auction, for Cash, at prices with which the Agent, desirous of securing covering rates for consignments, finds it very difficult to complete."

"24*th Nov.* 1854.—The depression which has prevailed for such a length of time in our Import Market, continues to the present date without the slightest improvement, and the prospects of this Season's Trade are still gloomy and unsatisfactory. The Imports since our last advices exhibit a great increase, amounting to 899,468*l.* during the last three weeks, including Manufactured Goods, Drapery, &c. 158,310*l.*; Beer, 32,115*l.*; Timber, 67,143*l.*; Oilmen's Stores, 35,422*l.* While the imports continue on this scale, we cannot expect any improvement, either in prices or demand. The exports of surplus merchandise to the neighbouring colonies are very trifling, owing to these markets being likewise glutted.

"Some additional failures, since our last advices, have heightened the general want of confidence, which now resembles a panic. It is found that the enormous rents and other expenses incurred by numerous Traders and Shopkeepers who have commenced business during the last two years, have been gradually absorbing their means; and numerous failures have taken place amongst this class. In such circumstances, business is almost limited to transactions for cash; and few goods, with the exception of some articles which are scarce and wanted, can find sale. We strongly confirm our late advices to suspend shipments entirely, until we have a better prospect to report.

"*Imports.—Spirits.*—Some heavy sales of case brandies have lately taken place at auction, consisting chiefly of low qualities; and the prices realised have in many instances been as low as 4*s.* 6*d.* per case. We fear that large quantities will not sell until they are sufficiently low in price to attract attention for export to the United Kingdom.

"*Wines.*—It is difficult to obtain above 30*s.* for the best Champagnes. Good light clarets do not realise over 15*s.* to 17*s.* 6*d.* per dozen, duty paid.

"*Groceries.*—East India produce of all kinds is so abundant in our Market, that the advance of the season has had no influence on prices; on the contrary, our late quotations are not even maintained. Sugars have again declined very considerably.

"*Piece Goods, Drapery, Slops, &c.*—Goods must be very scarce and suitable, which sell for Invoice amount; and generally, sellers are to be found at from 10 to 30 per cent. under English cost prices. We find it impossible to give quotations."

"20*th Jan.* 1855.—Although we are now in the very height of the season, we cannot report any tendency towards improvement in prices, or disposition on the part of importers to hold for higher rates; on the contrary, there is a general anxiety to realise every description of goods which is at all saleable; and very ruinous sacrifices, by auction and otherwise, continue to be made.

"On the other hand, however, the various Gold Fields continue to yield abundantly; and but for the unusual dryness of the last winter, which has much reduced the miner's present supply of water for washing the auriferous soil, the produce of Gold for several months past would have been sensibly larger. With these elements of prosperity thus in operation, the present depression may be expected shortly to pass away; and it can be regarded as arising only from the natural reaction upon the speculations of 1853, and a temporary over-stocking of the Market with imported merchandise."

"*Jan.* 1855.—*Insolvencies.*—So enormous has been the amount of imports into Victoria beyond what the inhabitants required, that nearly every species of merchandise several months ago became all but unsaleable and valueless, and very many traders whose rents and expenses were high have been ruined. The following list, compiled from records in the Insolvency Court, shows a part of the result, as, besides those therein named, estates to the amount of 400,000*l.* have been placed under trust; and the Official Assignee states, that to the subjoined amount of liabilities at least

20 per cent. should be added on account of foreign claims and others not ascertained. *The amounts named as Assets are in a large proportion of cases nominal, as the amounts realised frequently do not cover expenses.*

LIST OF INSOLVENCIES IN VICTORIA FROM 1ST JANUARY TO 18TH NOVEMBER, 1854.—(COMPILED FROM THE SCHEDULES.)

| Month. | Insolvents. | Liabilities. | Assets. |
|---|---|---|---|
| | No. | £ | £ |
| January - - - - | 3 | 12,382 | 7,054 |
| February - - - - | 6 | 45,827 | 36,815 |
| March - - - - | 11 | 141,775 | 138,026 |
| April - - - - - | 6 | 17,063 | 7,278 |
| May - - - - - | 5 | 2,680 | 2,278 |
| June - - - - - | 12 | 47,592 | 21,737 |
| July - - - - - | 13 | 102,702 | 56,606 |
| August - - - - | 20 | 80,695 | 57,731 |
| September - - - - | 33 | 130,827 | 117,129 |
| October - - - - | 36 | 142,816 | 99,473 |
| November, to 18th - - | 21 | 61,979 | 80,529 |
| | 166 | 786,338 | 624,656 |

"*Feb.* 1855.—The accounts given by those more conversant with such particulars, of the losses that lately occurred in Commercial and Building speculations in Melbourne, are of so astonishing a character that they rather resemble fictions than genuine narratives. Fortunes, which would have enabled their possessors to sustain for life the dignities of peerage were acquired by plodding tradesmen in the course of a few months; and before they had time to receive the congratulations of their friends their riches passed away, and they found themselves reduced to utter poverty. Perhaps in the whole range of history, no records are to be met with of vast sums of money so suddenly amassed and so suddenly dissipated.

"It is no exaggeration to state that the losses sustained within a few months by the larger commercial houses of Melbourne are to be reckoned by tens of thousands of pounds. The amount lost by one firm alone in a twelvemonth, through bad debts, is deliberately estimated to exceed 90,000*l.*; another firm lost, in a similar period, through the same means, upwards of 40,000*l.* A merchant, who, two years since, was regarded as worth 100,000*l.*, was recently obliged to pay a small account by his acceptance for a month.

"The vast depreciation in House property, which has in some instances been the cause and in others the result of commercial failures, fairly indicates the losses which the mercantile community have in all directions been suffering. The rents, which were highest when affairs were at their crisis, at once declined when things began to turn, and have since been falling in uniform ratio with the general depression. A few instances may be referred to as illustrating this depreciation; they are certainly not the most striking that could be adduced.

"A builder rented a vacant piece of ground at a figure something below 300*l.* per annum, and expended about 40,000*l.* in putting up a range of spacious and commodious stores, massively built of blue stone. When completed, the stores let readily at from 1000*l.* to 1500*l.*, a year each; and judging from the issue of this and similar speculations, the owner reckoned himself worth 15,000*l.* a-year, all claims being paid. In twelve months from that date, the rental value of the stores fell below ground rents, and the owner was utterly ruined."

## (4.) *Period of Revival,—Feb. '55—Sept. '55.*

"10*th March*, 1855.—We regret our inability to report any marked improvement in our import market. The reaction from the deep depression which we have experienced for such a length of time promises to be more gradual than we lately anticipated.

"The Imports from the United Kingdom have now most decidedly fallen off, and no inconsiderable portion of what is coming to hand, consisting of Grain and Provisions, find immediate and profitable sales. Stocks of many articles, however, are very slowly decreasing; and it appears to us, that nothing short of a total cessation of shipments of some classes of goods, until ordered from the Colony, will remedy matters. We may instance Dry Goods, the dealers in which, from the most extensive warehouseman down to the smallest retailer, are suffering from a perfect plethora of stock; and fresh shipments must either go into store to wait a more propitious season, or meet a most disastrous fate at our crowded Auction Marts. The shipments of Timber are no less unfortunate; and our present quotations of 11 by 3 Red Deals will only disburse freight and part of the charges, leaving the original cost of the article out of the question. Few articles, in short, beyond Grain and Provisions, hold out any inducement to shippers; and these two important items, from the absence of Agricultural development in the Colony, hold out a tolerable prospect of profit during the next two years at least, and merit attention.

"Comparatively few Insolvencies have occurred during the last month; and it is confidently expected that the brunt of the crisis is now over; credit, however, continues limited, and may be still further curtailed as the winter season approaches.

"Puddling Machines for Washing Gold on a large scale by horse labour, hitherto almost unused, are now in great vogue; and the movement in favour of Quartz crushing is daily extending. Numerous parties are now in town purchasing machinery and completing arrangements for establishing themselves on the auriferous quartz fields. Rumours are constantly being received from the interior of the extraordinary richness, as well as the unlimited quantity, of the auriferous Quartz, 8 ounces of Gold per ton being given as a very common average."

"10*th April*, 1855.—We have to notice a slight improvement in our Import Market, and the arrivals still continue on a more limited scale. The lowest point appears to have been touched by nearly all the articles which have suffered most in price during the late depression; and although the near approach of winter must check any rapid advance in prices, it is not improbable that we shall now have more cheering accounts to forward by successive mails.

"1*st May*, 1855.—The improvement in our Import Market noticed in our last Circular Advices of the 10th ultimo, per "Lightning," has been well maintained since that date, and has now assumed a permanent character. During these three weeks a very large and profitable business has been done in Provisions, Mining Tools, Machinery for Mining purposes, Watertight Boots, heavy Woollen Hosiery; and seasonable goods generally have gone largely into consumption. The rains having at length set in, we may expect the hitherto unlimited demand for these articles to be checked, and other goods less suitable may for a time cease altogether to be inquired for; but the Imports continue light, and as holders are not now so anxious to force sales, we do not anticipate any reaction. The falling off in the Imports during the first three months of the present year is very decided."

## (5.) *First Period of Lower Wages,—Sep. '55—Dec. '55.*

"14*th Aug.* 1855.—The week just elapsed has been, like its predecessors for the past two months, an extremely dull one in mercantile affairs.

"This is accounted for in several ways. 1. In the winter season business is always inactive. 2. The traders on the Gold Fields overspeculated in the early part of the season, and then large stocks having to a great extent remained on hand, or having been quitted at unremunerative rates, they are unable to operate to the usual extent for the ensuing season, and few orders from the interior have consequently been received. 3. In former seasons the Banks purchased their gold through the city brokers, but this year their purchases are made on the Gold Fields by their own local agents. Few diggers therefore come to town. They sell their gold and spend their money on the spot, and the town trade is consequently much reduced. This has greatly disarranged the calculations of the mercantile community in the seaport towns, and added much to the embarrassments arising from the late crisis. 4. That crisis, and the high prices of all kinds of provisions, have induced habits of great economy among every class. 5. Above all, the stoppage of Government works, and the general tightness of the money market, have severely affected the working classes; and the consumption of imports, and of all kinds of merchandise, has been greatly diminished. Doubtless the fall in the price of flour, the increase of cultivation, and the excellent prospects of increased production of Gold by Quartz-crushing, and of good crops, have a strong tendency to maintain confidence; but all these favourable circumstances are greatly counteracted by the depressing influence of very Large Stocks in most staple articles; and there seems little prospect of a decided revival for two or three months to come. As the spring advances, however, an impetus will be given to the town trade by the necessity of supplying the requirements of the interior; but it is not probable that any great improvement will take place until the summer has fairly set in."

"*Sep.* 1855.—There is no hiding the fact from oneself, that many now out of employment are so voluntarily, having refused to submit to the. Lowered Wages demanded by the decreased profits and altered times: one family is now in want because the husband refuses to work at a rate that would enable him to earn 5*l.* weekly; another labourer, apparently in great distress, applied a few days since for help; he was offered work at 2*l.* a week, which he would not accept, on the principle "not to aid in lowering the present wages;" and farmers are now discharging men whom they cannot afford to keep at 25*s.* a week with rations, whose services they would gladly avail themselves of if 15*s.* a week with rations would purchase them. In the instances referred to, we could give the names of the parties if it were necessary. With the speaker at the M'Killop-street meeting, who deplored the fate of girls compelled to accept 12*l.* per annum as wages, we do not sympathise: till they came here, their average wages were not half that amount, and the cost of clothing is about as cheap here now as in England; and we consider the sum specified as much nearer the value of the services rendered than the wages usually paid, which, for good hands, are well known to be from 25*l.* to 30*l.* a year. With regard to Labour generally, the capitalist cannot employ it for investment unless at a rate which promises adequate remuneration; and as the cost of labour is now too high for this, it must be lowered until this end be secured, and any opposition to this natural course on the part of the operatives must end in their ultimate loss. If strikes and trades' unions cannot (and they do not) succeed in England, it can scarcely be expected they will answer here."

"*Oct.* 1855.—Statements have been given respecting the state of the Labour Market in Victoria, and of the meetings that have been held, and of the measures of the Government to devise means for relieving the destitute. The *Argus*, alluding to the subject, says:—

"It is difficult to arrive at any definite conclusion as to the extent to which those who are able and willing to work are unable to find

employment. Cases are daily met with, by one who moves about among the Working Classes, in which a series of disappointments in obtaining employment have been experienced; but, on the other hand, employers complain of the difficulty they find in obtaining good workmen at such reduced rate of remuneration as the state of business will warrant. An employer of workmen called at the office yesterday to show us a communication he had received from those in his employment. He was paying them from 12*s.* to 14*s.*, according to their efficiency, and the determination to leave him unless he complied with their demands was taken at a period when it was of the utmost importance the work should not be suspended.

"The following is the communication: —

"'Sir, — We, the undersigned, have been given to understand, that the average rate of wages is 15*s.* per day, and, having had a meeting, have come to the conclusion to ask you to advance our wages to that amount, and we have all agreed to work for no less money.'

"There can be no doubt, however, but that such Wages as were customary a few months ago can no longer be obtained, and that even good workmen and industrious labourers find a difficulty in procuring employment at such wages as will enable them, if they have wives and families, to live in comfort. Eight shillings or ten shillings a day may appear to English readers good wages for an unskilled labourer; and the unmarried man, who gets the higher rate, and has tent, wood, and water furnished him, is not badly off; but the married man, who gets, perhaps, only the lower rate, who lives in town, has house-rent to pay, wood and water to buy, and has not constant work, must experience considerable privation. There is every reason to believe that the privations complained of are confined to the towns and their populous suburbs. Although many have left the town for the country and the gold fields, a larger number might, with advantage to themselves and families, remove up the country."

"28*th Sept.* 1855. — After a long and very serious depression of our Labour Market, principally owing to the generally dull state of things throughout the colony, and our Government, in the midst of that dulness, suddenly stopping all public works, we are glad indeed to note the first favourable symptoms of improvement, namely, a very great diminution in the numbers seeking employment, and the greater facility they find in obtaining it; and although the wages are low, in comparison to the former rates obtainable in Victoria, still there is employment at the rates quoted, with the no distant prospect of wages materially getting better, as labour in the market gets scarcer.

"Another favourable feature is the great demand lately sprung up about the gold fields for Female Servants, where they freely obtain a considerable advance upon the Melbourne rates, with all travelling expenses paid.

"Married couples are still much inquired after for stations in the country: weekly rations consisting of 12 lbs. beef or mutton, 10 lbs. flour, 2 lbs. sugar, ¼ lb. tea.

"The following are the current rates paid during the preceding week: —

"*With Rations.* — Married couples, without families, from 55*l.* to 80*l.* per annum; do., with families, 45*l.* to 70*l.*; gardeners, 45*l.* to 55*l.*; grooms, 40*l.* to 50*l.*; stock-keepers, 50*l.* to 60*l.*; hut-keepers, 25*l.* to 35*l.*; general farm servants, in demand, 20*s.* to 25*s.* per week; ploughmen, 22*s.* 6*d.* to 30*s.*; bullock-drivers, 25*s.* to 30*s.*; on the roads, 30*s.* to 40*s.*

"*Without Rations.* — Compositors, 1*s.* 4*d.* and 1*s.* 6*d.* per thousand; do., by the week, 4*l.* 4*s.*; pressmen, 4*l.* 10*s.*; carpenters, 8*s.* to 12*s.* per day; masons, 8*s.* to 12*s.*; plasterers, 7*s.* to 11*s.*; bricklayers, 7*s.* to 11*s.*; blacksmiths, 9*s.* to 12*s*; quarrymen, 7*s.* to 10*s.*; woodsplitters and fencers, 6*s.* to 8*s.* per ton; labourers on the roads, 7*s.* to 9*s.* per day; wood, water, and tents found.

"Male cooks, 40*l.* to 50*l.* per annum; female do. 30*l.* to 40*l.*; thorough female servants, 20*l.* to 25*l.*; housemaids, 17*l.* to 20*l.*; laundresses, 25*l.* to 35*l.*; nursemaids, 12*l.* to 15*l.*"

"10*th Sept.* 1855.—Trade still continues excessively dull; excepting a few transactions for the interior, the past week has been one of even fewer transactions than many of its predecessors. Among other causes for this state of things, the fact that the Banks are taking steps to limit their credits very considerably, stands foremost. An impression is gradually gaining ground that the numbers of firms engaged in trade, especially in the retail branches, must be greatly reduced before anything like a return to a healthy state of things can be expected. In the meantime a want of confidence exists, and, except with houses of known character and credit, there is little disposition on the part of the importers to make other than cash sales. There have not been many additions to our stocks, but the fair wind towards the close brought up one or two general cargoes."

## (6.) *First Period of unexcited Prosperity,—Dec.* '55—*Dec.* '56.

"*Melbourne, 25th October,* 1855.—Since our last summary, the spring trade for the supply of inland demands has fairly set in, but many circumstances have prevented that improvement in trade which has been generally looked for. The prices of bread stuffs have ruled high, and the uncertainty of adequate supplies of this staple article of consumption has exercised an unfavourable influence on the markets. The unfortunate state of commercial affairs in Sydney, where a sort of crisis, little inferior, apparently, in intensity to that which Melbourne has just passed through, checks speculation. This crisis, like that of Melbourne, having arisen from over-trading and over-importation, it is certain that a great portion of the surplus, in the shape of bankrupt stock, will be forced upon this market; and in this way the material revival in trade and confidence, which was anticipated, will, it is feared, be retarded.

"The general prosperity of the population on the Gold Fields, which is evidenced by increasing consumption, and by the presence of buyers in the town markets to meet their present wants, has added to the firmness in prices.

"We may remark that sales of merchandise have, within the last week, been at an advance of 10 per cent. on the prices that would have been gladly taken at the commencement of the month."

"11*th Feb.* 1856.—Notwithstanding that the weather has been very changeable and the roads heavy, trade has been brisk during the week. Buyers are availing themselves of the speedy means of transit which enable them to make the journey from nearly all the gold fields in one day, and are paying frequent visits to the metropolis. With the few exceptions which we enumerate below, prices are steady. It is satisfactory to hear on all sides that transactions are increasing in amount; and this remark is not confined to any one branch of trade, but applies to nearly every description of imported goods. There is less speculation in the market. Carriage has advanced, owing to the demand, coupled with the state of the roads, but prices are not likely to rule any higher before winter."

"30*th April,* 1856.—Mining is now with the majority of those engaged in it, as much a settled pursuit as any of the trades or other mechanical occupations, and the experience of three years has not been lost on those who have served an apprenticeship for that period. The older fields are being reworked systematically, and the whole of the alluvial soil above the pipeclay is being passed through the Puddling-Machine, with a result varying from

1½ pennyweights to 1½ ounces to the load, many parties washing regularly for the former quantity who are, to use their own words, "doing well at it." Quartz mining is, however, still the favourite pursuit, and great numbers of enterprising men are reaping rich rewards for the capital, energy, and hard work they have expended."

"*9th June*, 1856.—Notwithstanding that trade is in a great measure suspended, in consequence of the continuance of wet weather, and the all but impassable state of the roads, the present condition of the trade and commerce of the colony is one of undoubted health. The imports of late have been in excess of the demand for consumption, but they have been in the main of a description that will not suffer depreciation from being stored until a more active demand sets in, or until an interval of dry weather so far improves the roads as to admit of communication with the several inland centres of our mining population.

"The general tone is, therefore, one of confidence. The resources of the colony have shown a wonderful elasticity. The deficiency of 400,000*l.* in the revenue which the Government were forced to meet by advances from the banks has gradually disappeared, and the Government will have at their credit a surplus of nearly double that amount when they meet the Legislature of the colony, soon about to be assembled for the first time under the New Constitution.

"In actual progress the producing interests are making steady strides—Manufactories are springing up, not only in and about the capital, but also on the Gold Fields, for the purpose of supplying articles which have hitherto been imported; soap-works, candle-works, flour-mills, and breweries are being established wherever consumption calls for them. The land is being opened up for cultivation, a greater breadth than ever being laid down in wheat and other cereals, and dairy farming is extensively carried on. When immigration once more sets in, the country will absorb with ease any number that is likely to arrive.

"A correspondent supplies us with returns of the proceeds of twelve parcels of Quartz from Anderson's Creek, a gold-field sixteen miles from Melbourne. The parcels weighed in the aggregate 30¾ tons, from which 443 ounces of gold were obtained. Our correspondent writes as follows:—

"'Permit me to give you a few details about various parcels of Quartz from Anderson's Creek, which have been crushed from time to time at the Port Phillip Foundry, by Dr. Otway's patented Chilian mill, and retorted in the usual manner. The following parcels have come through my hands, and therefore I can speak as to the correctness of the results:—

| | ton. | cwt. | qr. | | oz. | dwt. |
|---|---|---|---|---|---|---|
| Anderson's Creek - - | 1 | 17 | 0 | yield | 11 | 5 |
| Do. - - | 2 | 0 | 0 | do. | 16 | 16 |
| Do. - - | 2 | 0 | 0 | do. | 30 | 0 |
| Do. - - | 1 | 0 | 0 | do. | 1 | 1 |
| Do. - - | 6 | 0 | 0 | do. | 144 | 0 |
| Do. - - | 2 | 3 | 0 | do. | 30 | 0 |
| Do. - - | 1 | 17 | 0 | do. | 28 | 10 |
| Do. - - | 2 | 0 | 0 | do. | 9 | 0 |
| Do. - - | 1 | 2 | 1 | do. | 15 | 7 |
| Do. - - | 7 | 0 | 0 | do. | 96 | 18 |
| Do. - - | 3 | 5 | 1 | do. | 60 | 13 |
| | 30 | 15 | 1 | do. | 443 | 10 |

"At the older fields the systematic washing of the soil and the Quartz mining are being steadily prosecuted. The difference in the quantities sent down weekly is not to be taken as an indication of any increase or de-

crease in the yield. In truth, it rather shows the prosperity of the great body of the miners, who hold or realise, as the market varies."

"*9th July*, 1856.— At no season of the year is trade duller in Australia than at the present. The roads become more nearly impassable with each succeeding day, and traffic with the interior is in a great measure suspended. During the present season the rains have been unusually heavy, and the rates of cartage are higher in proportion than last year. Transactions have been in consequence limited to the supply of the city trade proper, and of immediate wants from the interior. Much discussion and some excitement has been caused in Melbourne by the success which has attended the first year of the navigation of the Murray river for trading purposes. Barge-loads of flour and other staple articles of consumption have been transmitted from Adelaide and delivered at Bendigo and Ovens diggings, at lower prices than in present circumstances they could be procured from Melbourne.

"This fact is taken rather as a symptom of the general development of the Australian continent than as cause for fear or jealousy, by the majority of Melbourne merchants. With good roads—with railroads especially—the capital of Victoria will be able to compete with all rivals for the trade with the gold fields and the southern interior generally, but until good roads or railways are formed, supplies for a few months at this season will be towed up the stream of the Murray. The threatened competition has already effected something. The views of the Chamber of Commerce have become more decided and more practical on Railways, and it is now likely that Melbourne capitalists generally will cordially aid the Government in constructing the trunk railway to the north so long projected.

"We have to report an increasing demand for all kinds of Unskilled Labour; and there is every prospect of a continuance of this demand,—owing to the progressive extension of agricultural operations in the interior; the employment of a great number of hands in the execution of Public Works by the Government and by the various Municipalities; and, generally speaking, the activity which characterises industrial pursuits. The balance of arrivals over departures during the past month has been inconsiderable; and immigrants capable of performing rough work have readily met with engagements. Of Skilled Labour, there is, we believe, little deficiency; and as building operations are necessarily slack at this period of the year, the demand for artisans is not likely to exhibit much activity for some time to come. Female servants are more plentiful than they have been of late; but great complaints still exist of the difficulty of meeting with really suitable domestics."

I am enabled to add to the preceding extracts the following paragraphs from the Papers and Circulars brought by the Australian Mail delivered in London on the 9th February, 1857,—the dates extending to the middle of November from Melbourne. The two first extracts relate to the continued success of Quartz Mining.

"*Melbourne*, 14*th November*, 1856.—Notwithstanding that the winter of 1856 has been as unfavourable to the operations of the miner as that of 1855 was favourable, the escorts have been well maintained.

"At all the old fields mining operations are being energetically pursued. Ballarat, Bendigo, and Forest Creek still contribute largely to the weekly totals of production. The Ovens, the most eastward field, is reported to be increasing in yield. On all these fields Quartz mining is being systemati-

cally carried on, with very little prospect of the end of our riches, from this source, being arrived at for years and years to come, if indeed they are not inexhaustible.

"The demand for gold is on the increase, and the competition among the bankers is keeping up the price at the gold fields, so that the supply in town is not equal to the demand. The price is from 76*s.* 3*d.* to 78*s.*, according to quality, and from the exchange having been altered to one pm. Our Adelaide neighbours are using every effort to establish a trade to our gold fields by the Murray, and have shown some spirit in doing so, particularly at the Ovens. Having brought up goods by water, they are anxious to make returns to Adelaide in gold and black sand through the same channel; but a difficulty has arisen regarding a port on the Murray for exporting gold, the gold export duty act naming only seaboard ports. The news from the Diggings is encouraging, from the discovery of new fields, and fair accounts from the old ones. We have it reported that rich Quartz reefs have been found at South Muckleford, and at Mount Blackwood. At Tarrengower the quarts reefs are very productive. From M'Ivor we hear that the quartz claims are producing a fair return, and that there has been a rush to a new field near Sandèr's Station, the sinking being only about nine feet, and the gold plentiful."

We trace in this last extract the salutary effects of the opening, by means of the Murray, of extended communication by Steam Boats from Adelaide to the interior. And the following account of the Sales of Land at Adelaide in November, 1856, indicates rapid prosperity even in the non-auriferous Colony of South Australia.

"*Adelaide, November*, 1856.—In the way of auction sales, the great event of the week has been Messrs. Wicksteed, Botting, Townsend, and Co.'s sale of the Paringa and Britannia Mining Company's property. The average price per acre was 2*l.*, the rates varying from 18*s.* to 6*l.* 11*s.* per acre. Some of the township allotments sold as high as 60*l.* an acre, and the whole sale realised 16,499*l.* 18*s.* 3*d.*, that being the largest land sale-auction, to the extent of 4,000*l.*, ever before held in South Australia."

We learn from the following passage, from the Circular of Baines and Co. of Melbourne, that the tendency as regards Imports into Victoria was still in the direction of excessive supply.

"*Melbourne, 14th Nov.* 1856.—The state of this market is not quite so satisfactory as might be expected in ordinary times at this season of the year. The large arrivals and the expectation of many more have had a serious influence in checking business; stocks are undoubtedly low on the Diggings, and considerable orders are in course of execution, but the retailers in town are very chary in increasing their stocks except at low rates. It may be stated as a rule that the stocks of most articles of general consumption are large, and that a remunerative trade is chiefly done in what are called outside articles. On the part of Importers there is considerable apprehension that the trade here is about to be overdone, and this induces them to part with articles in demand at the low rates now being offered.

"The banks have made during the last half-year considerable advances, which do not correspondingly increase the amounts of circulation and

deposits. We have made inquiries, and find that this apparent anomaly is explained by the returning confidence between the importers and the retailer. Until the beginning of the present year, 1856, the business since the late crisis of 1854–5 had been almost wholly in cash; but within the last few months the credit system has been in a great measure re-established, the banks have discounted more freely, and the remittances to England on account of consignments have correspondingly increased. We have pleasure in stating that the financial affairs of the colonists, both public and private, are exceedingly sound, and that at no time was the business transacted by the banks more safe and satisfactory than at present."

I have now to insert, as described at pages 802–3. *antè*, the Tables of the Prices in Melbourne of a number of Leading Commodities, and the Rate of Wages in Melbourne of various kinds of Labour, during the six years 1852–56.

Note. — In the following Table of Prices in Melbourne the only articles quoted in Bond are Spirits and Tobacco; all other articles, if subject to Duty, are quoted *with* the Duty paid. Some of the Prices Current to which I have had to refer may possibly have varied somewhat from this rule, but I think not to any important extent.

Under the Victoria Tariff of 19th January, 1853, the Import Duties were — on Spirits of all kinds, 7*s*. per gall.; Wines of all kinds, 2*s*. per gall.; Beer 6*d*. per gall.; Tobacco, 3*d*. per lb.; Coffee, 10*s*. per cwt.; Tea, 3*d*. per lb.; all other goods free; and all Harbour, Light, and Wharfage dues abolished. No Drawbacks allowed, and large facilities provided for Bonding.

The Tariff of 8th December, 1854, *raised* the Import Duties on Spirits to 10*s*. per gall.; Wine and Beer were left unchanged; Sugar, raw and refined, 6*s*. per cwt.; Coffee, 2*d*. per lb.; Tea, 6*d*. per lb.; Cigars, 3*s*. per lb.

But even at these higher rates, Victoria is eminently a region of Free Trade.

All Weights and Measures in the Prices Current are according to the Imperial Standard. Flour, however, is sold according to a Conventional Ton of 2000 lbs.

It is the custom at Melbourne to sell Imported Goods at Three or Four Months' Credit. Exported Goods are sold for Cash.

An *Export* Duty of 2*s*. 6*d*. per oz. on Gold came into operation on 1st May, 1855, as a substitute for the Licence Fee previously collected from Miners by the Police of the Gold Fields.

(I.) Building and

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Dates. | Bricks. | | Iron and Ironmongery. | | | |
| | English, p. 1000. | Colonial, p. 1000. | Hoop Iron, p. *ton.* | Iron Shovels, p. *doz.* | Iron Picks, p. *doz.* | Camp Ovens, p. *ton.* |
| | £ | £ | £ | s. | s. | £ |
| Average Rates *prior* to 1852. | 1½ | – | – | – | – | – |
| **1852.** | | | | | | |
| Jan. - | – | – | 12 | – | – | – |
| Apl. - | 4 @ 5 | – | „ | – | – | – |
| July - | 15 . 18 | – | 12 @ 14 | – | – | 21 |
| Oct. - | 15 | – | „ | – | – | – |
| **'53.** | | | | | | |
| Jan. - | 12 | – | „ | – | – | 20 |
| Apl. - | 11 | – | „ | 60 @ 65 | 20 @ 40 | 40 |
| July - | „ | – | 18 . 20 | – | – | – |
| Oct. - | 10 @ 12 | – | 20 . 25 | 60 | 66 | 22 |
| **'54.** | | | | | | |
| Jan. - | 8 . 9 | 7 @ 9 | 15 . 18 | 50 | 80 | – |
| Apl. - | 7 | 8 . 10 | 18 . 20 | 40 | 76 | – |
| July - | 10 | 9 . 10 | 16 . 18 | – | 50 | 18 |
| Oct. - | 9 | 6 . 7 | 16 | 20 | – | 15 |
| **'55.** | | | | | | |
| Jan. - | 4½ | 4 | 18 | 36 | 60 | „ |
| Apl. - | „ | „ | 18 @ 20 | 40 | 62 | „ |
| July - | 4 | „ | 21 | „ | 55 | 18 |
| Oct. - | 2¼ @ 4½ | 8½ | 18 @ 20 | 65 @ 70 | 70 @ 75 | 18 @ 20 |
| **'56.** | | | | | | |
| Jan. - | – | – | 18 . 22 | 65 . 67 | 65 . 70 | – |
| Apl. - | 2 @ 2½ | – | 16 | 65 | 60 | – |
| July - | 4 | – | 16 @ 18 | „ | 50 @ 55 | – |

MINING MATERIALS.

| 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|
| SLATES. | | | TIMBER. | | |
| "Ladies," p. 1000. | "Countesses," p. 1000. | "Duchesses," p. 1000. | Deals, Red, 11×3 p. *Foot.* | Deals, Red, 9×3 p. *Foot.* | DATES. |
| £ | £ | £ | *d.* | *d.* | |
| – | – | 8 @ 11 | 4½ | 4 | Average Rates *prior* to 1852. |
| | | | | | **1852.** |
| 8 | 9 | 10 | 4 @ 5 | „ | Jan. |
| „ | „ | „ | 7 . 11 | 5 @ 9 | Apl. |
| 7 | „ | „ | „ | „ | July |
| „ | 15 | 14 | 22 | 18 . 20 | Oct. |
| | | | | | **'53.** |
| 7 @ 9 | 14 @ 16 | 17 @ 19 | 12 @ 14 | 10 . 12 | Jan. |
| „ | 15 . 17 | „ | 21 . 30 | 16 . 26 | Apl. |
| 15 . 20 | 30 . 35 | 40 . 45 | 30 . 33 | 30 | July |
| „ | „ | „ | 26 | 22 @ 30 | Oct. |
| | | | | | **'54.** |
| 25 . 30 | 30 . 40 | 45 . 48 | 13 | 11 | Jan. |
| 10 | 16 | 22 | 11 | 9 @ 10 | Apl. |
| „ | „ | „ | 12 | 12 | July |
| 6 | 12 | 15 | „ | 10 | Oct. |
| | | | | | **'55.** |
| 4 | 9 | 11 | 6 | 4 | Jan. |
| 8 | 13 | 20 | 8 | 5 | Apl. |
| 11 | 16 | „ | „ | 6 | July |
| 10 | „ | „ | 9 | 6½ | Oct. |
| | | | | | **'56.** |
| 10 | 16 | 23 | „ | „ | Jan. |
| 7 | 15 | 18 | 10 | „ | Apl. |
| „ | 14 | „ | 9½ | „ | July |

## (II.) Colonial Produce.

| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|---|---|
| Dates. | COFFEE, Java, p. *lb.* | RICE, Java, p. *cwt.* | SUGAR. Java, Brown, p. *ton.* | SUGAR. Manilla Ration, p. *ton.* | SUGAR. Loaf, Eng., p. *ton.* | TEA. Congou, p *chest.* |
| | *d.* | *s.* | £ | £ | £ | £ |
| Average Rates *prior* to 1852. | 9 @ 12 | – | – | – | – | – |
| **1852.** | | | | | | |
| Jan. - | 5 . 6 | 8 @ 10 | 22 @ 23 | 22 @ 23. | 39 @ 42 | 4½ @ 4¾ |
| Apl. - | „ | 10 . 12 | 16 . 20 | 18 . 19 | 40 . 42 | „ |
| July - | 6 . 7 | „ | „ | „ | „ | 4½ . 5½ |
| Oct. - | 9 . 10 | „ | 19 . 21 | 19 . 20 | 42 . 44 | 5½ . 6 |
| **'53.** | | | | | | |
| Jan. - | 8 . 10 | „ | „ | „ | 80 . 84 | „ |
| Apl. - | „ | „ | 20 . 22 | 20 . 22 | 84 . 90 | 5 . 5¼ |
| July - | 12 . 14 | 8 . 10 | 17 . 21 | 16 . 20 | 78 . 90 | „ |
| Oct. - | 7 . 8 | 10 . 12 | „ | „ | 56 . 62 | 6½ . 7 |
| **'54.** | | | | | | |
| Jan. - | 5 . 6 | – | 21 . 22 | – | 46 . 50 | 7 |
| Apl. - | 6 . 7 | – | 25 . 33 | 21 | – | 6½ |
| July - | 6 . 8 | – | 25 . 44 | 23 @ 25 | – | 6 |
| Oct. - | 6 . 7 | 14 @ 18 | 23 . 25 | – | – | 5½ |
| **'55.** | | | | | | |
| Jan. - | 6 | 15 . 18 | 28 . 30 | – | 43 | 6½ |
| Apl. - | 8 | 18 . 20 | „ | – | 40 @ 42 | „ |
| July - | 7 | 14 . 16 | „ | 27 | – | 7 |
| Oct. - | 7½ @ 8½ | 13 . 16 | 27 | „ | – | 7¼ |
| **'56.** | | | | | | |
| Jan. - | 8½ . 9 | 14 . 15 | – | – | 47 | „ |
| Apl. - | 9½ . 10 | 12 | – | – | 47 @ 51 | 6½ |
| July - | 10 . 11½ | „ | – | – | „ | 6 |

| | | (III.) CLOTHING. | | | |
|---|---|---|---|---|---|
| 21 | 22 | 23 | 24 | 25 | 26 |
| TEA—*cont.* Hyson, p. *chest.* | TOBACCO, Negrohead, p. *lb.* | WOOLLENS. Broad Cloths. | SLOP CLOTHING. | BOOTS AND SHOES. | DATES. |
| £ | *d.* | | | | |
| – | – | – | – | – | Average Rates *prior* to 1852. |
| | | | | | **1852.** |
| 2¼ @ 3¾ | 30 @ 36 | No Sale. | Great Demand. | Very saleable. | Jan. |
| 3 . 3½ | ,, | ,, | ,, | Very scarce. | Apl. |
| 3½ . 4 | 30 | ,, | ,, | ,, | July |
| ,, | 18 | ,, | 25 p. ct. on Invoice | ,, | Oct. |
| | | | | | **'53.** |
| ,, | 24 | ,, | ,, | In Demand. | Jan. |
| 3¾ . 4¼ | 15 | Fair Demand. | ,, | ,, | Apl. |
| ,, | – | Saleable. | 20 p. ct. on Invoice. | Saleable. | July |
| 5 . 5¾ | – | ,, | Market full. | Market full. | Oct. |
| | | | | | **'54.** |
| 6 | – | Market full. | ,, | 25 p. ct. on Invoice. | Jan. |
| 5 | – | ,, | ,, | 50 p. ct on Invoice. | Apl. |
| 4½ | 24 @ 27 | par to 50 p. ct. *Disct.* on Invoice. | 30 p. ct. *Disct.* | par to 10 p. ct. | July |
| 4¼ | ,, | ,, | ,, | ,, | Oct. |
| | | | | | **'55.** |
| – | 24 | 10 to 15 p. ct. *Discount.* | ,, | 20 p. ct. on Invoice. | Jan. |
| 4 | 23 | ,, | ,, | 33 p. ct. on Invoice. | Apl. |
| ,, | ,, | – | – | Glutted. | July |
| 4¼ @ 4½ | 23 @ 24 | – | – | 25 per ct. on Invoice advance. | Oct. |
| | | | | | **'56.** |
| 4 | – | – | – | – | Jan. |
| – | – | – | – | – | Apl. |
| 4¼ @ 4½ | – | – | – | – | July |

(IV.) Liquors.

| 27 | 28 | 29 | 30 | 31 | 32 | 33 |
|---|---|---|---|---|---|---|
| Dates. | BEER. Burton Ale, p. *hhd.* | BEER. Other Ale, p. *hdd.* | SPIRITS. Brandy, Martell's, (*in Bond,*) p. *gall.* | SPIRITS. Rum, West Indian (*in Bond,*) p. *gall.* | WINES. Champagne, p. *doz.* | WINES. Claret, p. *doz.* |
| Average Rates *prior* to 1852. | £ – | £ – | *s. d.* – | *s. d.* – | *s.* – | *s.* – |
| **1852.** | | | | | | |
| Jan. - | 7 @ 7½ | 6 @ 6½ | 8 – @ 8 6 | 3 6 | 40 @ 70 | 20 @ 40 |
| Apl. - | 7 . 8 | „ | 6 – . 6 6 | – | 22 . 40 | 14 . 25 |
| July - | 7 . 9 | „ | 17 6 | – | 30 . 40 | 20 . 30 |
| Oct. - | 8 . 10 | 6½ . 7 | 16 – @ 17 6 | – | 40 . 50 | „ |
| **'53.** | | | | | | |
| Jan. - | 7 . 7½ | „ | 12 – . 14 – | 3 6 | 35 . 45 | 17 . 23 |
| Apl. - | 8½ . 9 | 7 . 8 | 11 – . 17 – | – | 30 . 42 | 15 . 21 |
| July - | 10 . 11 | „ | 16 6 . 17 6 | 2 9 @ 3 – | 35 . 45 | 12 . 18 |
| Oct. - | 8 . 9½ | 6 . 7 | 12 6 . 13 6 | 4 – . 4 6 | 30 . 35 | 15 . 20 |
| **'54.** | | | | | | |
| Jan. - | 8½ . 9 | 6½ . 7 | 10 6 . 11 – | 4 3 . 5 – | 30 . 45 | 15 . 22 |
| Apl. - | 10½ . 12 | „ | 11 – . 11 6 | 4 6 . 4 9 | 30 . 40 | 17 . 24 |
| July - | 11 . 12 | 9 . 10 | 12 – . 12 6 | 6 6 . 7 – | 30 . 35 | 14 . 20 |
| Oct. - | 10 . 12 | „ | 9 – . 10 6 | 6 – . 6 3 | 33 | 20 . 35 |
| **'55.** | | | | | | |
| Jan. - | 11 | – | 10 – | 4 9 . 5 – | – | 16 . 19 |
| Apl. - | 12 | 12 | 12 6 @ 13 – | 4 – . 5 – | 30 | „ |
| July - | 10 | 10 | 14 – | „ | „ | 20 – |
| Oct. - | 9 | 9 . 9½ | 13 9 @ 14 – | 4 9 . 5 – | 25 @ 40 | 13 . 20 |
| **'56.** | | | | | | |
| Jan. - | „ | 10 . 10½ | 13 – . 13 3 | 5 – | 25 . 30 | 26 |
| Apl. - | „ | „ | 14 9 | – @ 5 3 | „ | 22 |
| July - | 9¼ @ 9½ | 9¾ . 10 | 14 3 . 14 6 | 5 3 . 5 6 | 30 | „ |

| 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 |
|---|---|---|---|---|---|---|---|
| | | | (v.) SUNDRIES. | | | | |
| WINES—*continued.* | | | CANDLES. | | SOAP, L'pool, p. *cwt.* | BLACKING, p. *doz.* | DATES. |
| Port, p. *pipe.* | Port, p. *doz.* | Sherry, p. *pipe.* | Sperm, p. *lb.* | Composition, p. *lb.* | | | |
| £ | s. | £ | d. | d. | s. | s. | |
| – | – | – | – | – | – | – | Average Rates *prior* to 1852. |
| | | | | | | | **1852.** |
| 30 @ 55 | 18 @ 30 | – | 24 @ 30 | 12 @ 14 | – | 4 @ 8 | Jan. |
| 20 . 50 | „ | 20 @ 45 | „ | „ | – | „ | Apl. |
| „ | „ | 30 . 50 | „ | 15 . 18 | – | „ | July |
| 20 . 42½ | 30 . 36 | „ | 24 . 27 | 16 . 18 | – | 4 . 12 | Oct. |
| | | | | | | | **'53.** |
| 30 . 50 | 25 . 30 | „ | 21 . 24 | „ | – | 5 . 12 | Jan. |
| „ | „ | „ | 18 . 27 | „ | – | „ | Apl. |
| 30 . 55 | 26 . 30 | „ | „ | 7 | – | 5 . 13 | July |
| 30 . 45 | 25 . 30 | „ | „ | „ | – | „ | Oct. |
| | | | | | | | **'54.** |
| 32 . 66 | „ | 30 . 60 | 18 . 20 | 14 @ 15 | – | 6 . 18 | Jan. |
| 30 . 60 | „ | 30 . 50 | 21 . 27 | 16 . 17 | 26 @ 28 | 6 . 12 . 18 | Apl. |
| 42 . 60 | „ | 45 . 60 | 22 . 24 | 21 . 23 | – | „ | July |
| 35 . 60 | „ | 39 . 50 | 24 . 26 | 15 | 28 . 33 | 50 per cent. on orig. invoice. | Oct. |
| | | | | | | | **'55.** |
| 40 | „ | 40 . 70 | 20½ | 18 @ 21 | 28 . 30 | „ | Jan. |
| 45 | „ | „ | 30 | – | 35 | 33⅓ per cent. on orig. ivce. | Apl. |
| „ | „ | 40 . 65 | 28 | 20 | 38 | 25 per cent. | July |
| 55 @ 60 | „ | 45 | 18 @ 19 | 12 @ 14 | 35 @ 38 | – | Oct. |
| | | | | | | | **'56.** |
| 55 | „ | 40 @ 45 | 19 . 20 | 12 | 44 | – | Jan. |
| 55 @ 60 | „ | 36 . 38 | 24 . 25 | 17 | 38 @ 40 | – | Apl. |
| „ | „ | „ | – | 16 | „ | – | July |

## (VI.) Agricultural Produce.

| 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 |
|---|---|---|---|---|---|---|---|
| Dates. | WHEAT, p. *bush.* | BARLEY, p. *bush.* | OATS, p. *bush.* | HAY, p. *ton.* | FLOUR. First Quality, p. *ton.* | FLOUR. Second Quality, p. *ton.* | BREAD (retail), p. *4lb. loaf.* |
| | *s. d.* | *s. d.* | *s. d.* | £ | £ | £ | *d.* |
| Average Rates prior to 1851. | – | – | – | 2 @ 5 | 8 @ 16 | – | 5 |
| **1851.** | | | | | | | |
| Jan. | 6 – | – | 5 – | 8 | 17 | 16 | – |
| Apl. | 6 9 | – | „ | 6 @ 12 | „ | 15½ | – |
| July | 9 – | 4 – | 4 9 | – | 24 | 22 | 12 |
| Oct. | 10 – | „ | 5 9 | – | 25 | 23 | „ |
| **'52.** | | | | | | | |
| Jan. | 5 – | „ | „ | 6 | „ | 19 | 16 |
| Apl. | 8 – | „ | – | „ | „ | 23 | – |
| July | 8 – | 3 6 | – | 8 @ 10 | 23 | 21 | – |
| Oct. | 12 – | – | – | 26½ | 40 | 36 | – |
| **'53.** | | | | | | | |
| Jan. | 7 6 | – | – | 26 | 25 | 23 | – |
| Apl. | 10 6 | – | 14 – | 30 | 34 | 31 | – |
| July | 10 – | – | 11 – | 26 | 30 | 28 | – |
| Oct. | 10 6 | 12 – | 8 6 | 33 | 35 | 32 | 21 |
| **'54.** | | | | | | | |
| Jan. | 13 – | 9 – | 11 – | 36 | 33 | 31 | 18 |
| Apl. | 15 – | 10 – | 16 – | 39 | 35 | 32 | „ |
| July | 15 3 | 10 6 | 11 6 | 34 | „ | 33 | 21 |
| Oct. | 15 6 | 10 – | 9 6 | 23 | 33 | 27 | „ |
| **'55.** | | | | | | | |
| Jan. | 16 – | 6 – | 8 6 | 15 | 44 | 42 | 24 |
| Apl. | 10 6 | 7 – | 9 6 | „ | 42 | 40 | 21 |
| July | 17 – | – | – | – | – | – | 22 |
| Oct. | 15 | – | – | 15 | 38 | 36 | 16 |
| **'56.** | | | | | | | |
| Jan. | 8 – | – | – | 8 | 32 | 30 | 17 |
| Apl. | 9 – | – | – | „ | 26 | 24 | – |
| July | 8 3 | – | – | „ | 22 | 20 | – |

(VII.) GRAZING PRODUCE.

| 50 | 51 | 52 | 53 | 54 | 55 | 56 |
|---|---|---|---|---|---|---|
| BULLOCKS. | | COWS and HEIFERS, *each.* | WETHERS, *each.* | BUTCHER'S MEAT. | | DATES. |
| Fat, *each.* | Working, p. *pair.* | | | BEEF (retail), p. *lb.* | MUTTON (retail), p. *lb.* | |
| £ | £ | £ | *s.* | *d.* | *d.* | |
| – | 8 @ 14 | 2 @ 3 | 4 @ 5 | 1 @ 2 | 1 @ 2 | Average Rates *prior* to 1851. |
| | | | | | | **1851.** |
| – | – | – | – | – | – | Jan. |
| – | – | – | – | – | – | Apl. |
| – | – | – | – | – | – | July |
| – | – | – | – | – | – | Oct. |
| | | | | | | **'52.** |
| – | 8 . 11 | 4 | – | 3 | 3 | Jan. |
| 3 @ 4 | 18 . 25 | – | 5 @ 6 | 3½ | 3½ | Apl. |
| 4 . 5 | 15 . 30 | – | – | 4 | „ | July |
| 8 . 9 | 14 . 30 | 6 @ 8 | – | 6 | 5 | Oct. |
| | | | | | | **'53.** |
| 6 . 8 | – | – | – | „ | „ | Jan. |
| 6 . 7 | 27 @ 35 | – | 9 @ 10 | „ | 6 | Apl. |
| – | – | 10 @ 15 | 20 | 7 | 7 | July |
| 9 . 10 | – | – | – | „ | „ | Oct. |
| | | | | | | **'54.** |
| 9 . 11 | 15 @ 25 | 7 @ 9 | – | „ | „ | Jan. |
| 12 . 14 | – | – | – | 8 | 8 | Apl. |
| 14 | 25 | – | 26 @ 30 | 9 | 9 | July |
| 12 | 40 . 50 | 9 @ 10 | 20 . 25 | 8 | 8 | Oct. |
| | | | | | | **'55.** |
| 10 @ 12 | – | 6 . 9 | 15 . 17 | 5 @ 7 | 4 @ 7 | Jan. |
| 9 . 10 | – | 8 | 12 . 14 | „ | „ | Apl. |
| 12 . 14 | – | 6 @ 12 | 18 . 24 | – | – | July |
| 11 | – | 9 | – | 4 @ 8 | 3 @ 8 | Oct. |
| | | | | | | **'56.** |
| 10 | – | – | 18 . 20 | 4 . 7 | 4 . 7 | Jan. |
| 10 @ 12 | 36 | – | 18 | 3 . 7 | 3 . 7 | Apl. |
| 9½ | 20 @ 25 | 7 | „ | „ | „ | July |

| | (VIII.) Dairy Produce. | | | | | (IX.) Farm-Yard | | |
|---|---|---|---|---|---|---|---|---|
| 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 |
| Dates. | Butter. Fresh, p. *lb.* | Butter. Salt, p. *lb.* | Cheese, p. *lb.* | Milk, p. *quart.* | Eggs, p. *dozen.* | Geese, *each.* | Turkeys, *each.* | Ducks, p. *couple.* |
| Average Rates *prior* to 1851. | d. 12 @ 18 | d. 10 @ 12 | d. 9 @ 12 | d. – | s. d. – 9 | s. – | s. – | s. 2 @ 5 |
| **1851.** | | | | | | | | |
| Jan. | – | – | – | – | 1 – | 7 | 6 | 5 |
| Apl. | – | – | – | – | 1 8 | 6 | 8 | ,, |
| July | – | – | – | – | 2 – | 5 | 6 | ,, |
| Oct. | – | – | – | – | 1 – | 6 | 7 | ,, |
| **'52.** | | | | | | | | |
| Jan. | 24 | – | – | – | 2 – | 5 | ,, | 4 |
| Apl. | – | – | – | – | ,, | ,, | 8 | – |
| July | – | – | – | – | ,, | 8 | ,, | 12 |
| Oct. | 24 | – | – | – | ,, | 10 | 10 | 14 |
| **'53.** | | | | | | | | |
| Jan. | 36 | – | 18 | – | 6 – | 20 | 20 | 16 |
| Apl. | ,, | 22 | ,, | 18 | 5 – | 16 | 16 | 12 |
| July | 54 | 24 | 10 | ,, | ,, | ,, | ,, | 14 |
| Oct. | 48 | 18 | 15 | ,, | ,, | ,, | ,, | ,, |
| **'54.** | | | | | | | | |
| Jan. | ,, | ,, | 12 | ,, | 6 – | 20 | 20 | 24 |
| Apl. | ,, | ,, | 13 | 24 | 8 – | 25 | 40 | 20 |
| July | 60 | 36 | ,, | 30 | 10 – | ,, | ,, | 24 |
| Oct. | 42 | 30 | 8 | ,, | ,, | – | – | – |
| **'55.** | | | | | | | | |
| Jan. | ,, | ,, | ,, | – | – | – | – | – |
| Apl. | 48 | 42 | – | – | – | – | – | – |
| July | – | – | – | – | – | – | – | – |
| Oct. | 42 | 30 | – | 12 | 3 – | 15 @ 20 | 15 @ 20 | 16 @ 20 |
| **'56.** | | | | | | | | |
| Jan. | 36 @ 42 | 30 @ 36 | – | 12 @ 16 | 4 6 | ,, | 15 @ 20 | ,, |
| Apl. | ,, | 24 . 32 | – | 12 | 4 6 @ 5 – | 15 @ 18 | ,, | 16 @ 17 |
| July | ,, | 33 | – | ,, | 5 – | ,, | ,, | ,, |

| PRODUCE. | (x.) GARDEN PRODUCE. | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 |
| FOWLS, p. *couple.* | POTATOES. | | ONIONS. | | CARROTS, p. *bunch.* | TURNIPS, p. *bunch.* | CABBAGES, *each.* | DATES. |
| | Wholesale, p. *cwt.* | Retail, p. *lb.* | p. *cwt.* | p. *lb.* | | | | |
| *s.* | *s.* | *d.* | *s.* | *d.* | *d.* | *d.* | *d.* | |
| 2 @ 4 | 8 | 1 | – | – | 2 | 2 | 2 | Average Rates *prior* to 1851. |
| | | | | | | | | **1851.** |
| 4 | 9 | – | – | 4 | 1 | 1½ | „ | Jan. |
| „ | 8 | – | – | 3 | 1½ | 2 | 6 | Apl. |
| „ | 7 | – | – | „ | „ | „ | 3 | July. |
| „ | 8 | 2½ | – | 8 | 1 | 1 | 2 | Oct. |
| | | | | | | | | **'52.** |
| 3 | 12 | – | 30 | 9 | 2 | „ | 1 | Jan. |
| – | – | – | – | – | 4 | 4 | 1½ | Apl. |
| 10 | 10 | – | – | 4 | 3 | „ | 12 | July. |
| 14 | 17 | 10 | – | 6 | 4 | 5 | 18 | Oct. |
| | | | | | | | | **'53.** |
| 16 | „ | 6 | – | 4 | 6 | 6 | 24 | Jan. |
| 14 | 25 | – | 47 | „ | „ | 4 | 16 | Apl. |
| „ | 26 | – | 90 | „ | „ | 6 | 12 | July |
| „ | „ | 24 | – | 16 | 8 | 8 | 24 | Oct. |
| | | | | | | | | **'54.** |
| „ | 23 | 6 | – | 12 | 12 | „ | 60 | Jan. |
| 20 | – | „ | – | „ | 8 | „ | 24 | Apl. |
| 14 | 24 | 4 | – | 18 | „ | 6 | 18 | July. |
| – | 23 | – | – | – | – | – | – | Oct. |
| | | | | | | | | **'55.** |
| – | 15 | – | – | – | – | – | – | Jan. |
| – | – | – | – | – | – | – | – | Apl. |
| – | 27 @ 35 | – | 50 | – | – | 3 | 6 | July. |
| 10 @ 15 | 6 | 4 | – | 18 | 6 | 3 @ 4 | 6 | Oct. |
| | | | | | | | | **'56.** |
| „ | 10 | „ | – | „ | „ | 4 | 4 @ 9 | Jan. |
| 10 . 14 | – | 2 @ 3 | 7 @ 9 | – | 2 @ 3 | 2 | 1 . 3 | Apl. |
| „ | – | – | 14 . 16 | – | 1½ . 2 | 1 @ 1½ | 2 . 4 | July. |

| | (XI.) Grazing and Pastoral Labour. | | | (XII.) Farm Labour. | | | (XIII.) |
|---|---|---|---|---|---|---|---|
| | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 |
| Dates. | Shepherds, with Rations, p. *ann.* | Hut Keepers, with Rations, p. *ann.* | Bullock Drivers on Roads, with Rations, p. *week.* | Married Couples, with Rations, p. *ann.* | Bullock Drivers on Farms, with Rations, p. *week.* | Farm Labourers, with Rations, p. *week.* | Grooms with Rations, p. *ann.* |
| | £ | £ | s. | £ | s. | s. | £ |
| Average Rates *prior* to 1852. | 18 @ 22 | 18 @ 20 | 12 @ 25 | – | 12 @ 20 | 9 @ 12 | –. |
| **1852.** | | | | | | | |
| Jan. - | 30 | 26 . 28 | 20 . 25 | 45 @ 50 | – | – | 35 @ 40 |
| Apl. - | 33 @ 35 | 28 . 30 | 20 | 50 . 60 | – | 20 | 40 . 50 |
| July - | „ | 30 . 32 | 60 . 80 | „ | 20 . 30 | 20 @ 25 | 50 . 60 |
| Oct. - | 40 . 45 | 35 | „ | 60 . 70 | „ | 20 . 30 | „ |
| **'53.** | | | | | | | |
| Jan. - | 35 | 32 | 60 . 70 | 60 . 75 | 50 . 60 | „ | „ |
| Apl. - | 35 @ 40 | 32 @ 35 | 50 . 80 | 70 . 100 | 50 . 70 | 25 . 35 | 60 . 80 |
| July - | 35 | „ | 50 . 60 | 70 . 90 | 50 . 60 | „ | 60 . 70 |
| Oct. - | 35 @ 40 | „ | 50 . 70 | 70 . 100 | „ | „ | „ |
| **'54.** | | | | | | | |
| Jan. - | 40 . 50 | 35 | 60 . 70 | 80 . 120 | „ | 25 . 30 | 70 . 100 |
| Apl. - | „ | „ | „ | 70 . 110 | „ | „ | „ |
| July - | 45 . 52 | 40 @ 50 | 70 . 80 | 110 . 120 | 60 . 70 | 35 . 40 | 75 . 100 |
| Oct. - | 40 . 45 | 30 . 35 | 70 | 80 . 100 | 35 . 40 | 25 . 30 | 60 . 70 |
| **'55.** | | | | | | | |
| Jan. - | 35 . 40 | „ | 40 . 60 | 70 . 90 | 30 . 40 | „ | „ |
| Apl. - | 40 . 50 | 35 . 40 | 40 . 50 | 80 . 100 | 35 . 40 | „ | „ |
| July - | 30 | 25 | 25 | 40 . 50 | 15 . 20 | 15 | 60 |
| Oct. - | 30 @ 35 | 26 @ 28 | 30 | 60 . 65 | 20 . 25 | 20 | 45 |
| **'56.** | | | | | | | |
| Jan. - | – | 40 . 50 | 30 @ 40 | 80 . 100 | – | 32 . 37 gt. demand. | 50 @ 65 |
| Apl. - | 35 . 40 | 25 . 30 | 30 | 75 . 90 | 25 | 25 | – |
| July - | „ | „ | „ | 75 . 85 | „ | „ | – |

| Town Labour. | | | (xiv.) Artisan Labour. | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 |
| Gardeners, with Rations, p. *ann.* | Men Cooks, with Rations, p. *week.* | Waiters, with Rations, p. *week.* | Carpenters, p. *day.* | Black-smiths, p. *day.* | Masons, p. *day.* | Brick-layers, p. *day.* | Wheel-wrights, p. *day.* | Sailors' Voyage to England. | Dates. |
| £ | *s.* | *s.* | *s.* | *s.* | *s.* | *s.* | *s.* | £ | |
| 30 @ 32 | * | – | 5 @ 6 | 6 @ 7 | 6 @ 7 | 6 @ 7 | 6 @ 7 | (4 p. mo.) | Averag Rates *prior* to 1852. |
| | | | | | | | | | **1852.** |
| – | 14 @ 18 | – | „ | – | – | – | – | – | Jan |
| 35 . 36 | „ | – | „ | – | – | – | – | 50 @ 60 | Apl. |
| 40 . 50 | 20 . 30 | – | 10 . 12 | 6 . 10 | – | – | – | 70 . 80 | July |
| 50 . 60 | „ | – | 12 . 15 | „ | 15 | 15 | 15 | 65 | Oct. |
| | | | | | | | | | **'53.** |
| 60 . 65 | 40 . 60 | 20 @ 30 | 18 . 20 | 20 . 30 | – | – | – | – | Jan. |
| 60 . 75 | 40 . 80 | „ | 20 . 25 | 18 . 20 | – | – | – | 45 @ 50 | Apl. |
| 70 . 80 | „ | „ | „ | 20 . 25 | – | – | – | – | July |
| „ | „ | „ | 25 . 30 | „ | 30 @ 35 | 30 | 17 | – | Oct. |
| | | | | | | | | | **'54.** |
| 70 . 100 | „ | 30 . 40 | „ | „ | „ | – | – | – | Jan. |
| „ | 30 . 60 | „ | 20 . 25 | „ | 35 . 40 | – | – | 45 | Apl. |
| 100 . 110 | 70 . 90 | 30 . 35 | 25 . 27 | „ | 25 . 30 | 30 | 30 | – | July |
| 75 . 100 | 30 . 60 | „ | 25 | 20 | „ | – | – | – | Oct. |
| | | | | | | | | | **'55.** |
| „ | „ | „ | 15 @ 20 | 15 | 15 . 20 | – | – | – | Jan. |
| . 80 | 38 . 50 | 20 . 30 | 15 | „ | „ | – | – | – | Apl. |
| 45 @ 50 | 15 . 50 | „ | 10 @ 12 | „ | 14 . 16 | 15 | 12 | (5 p. mo) | July |
| 50 . 52 | 20 . 45 | 20 . 25 | 10 . 12 | 13 @ 15 | 10 . 12 | 12 | – | (4½ p. mo.) | Oct. |
| | | | | | | | | | **'56.** |
| 50 . 60 | 27 . 34 | – | 12 . 15 | 16 . 20 | 15 , 18 | 14 @ 17 | – | – | Jan. |
| „ | 21 . 35 | – | 12 . 14 | 16 | 14 . 16 | 14 . 16 | – | – | Apl. |
| 50 . 55 | 27 . 34 | – | 12 | 12 @ 14 | 12 . 14 | 12 . 14 | – | – | July |

## (XV.) Domestic Servants.

| 93 | 94 | 95 | 96 | 97 | 98 |
|---|---|---|---|---|---|
| Dates. | Female Servants of all work, p. *ann.* | House Maids, p. *ann.* | Laundry Maids, p. *ann.* | Nurse Maids, p. *ann.* | Cooks (Female), p. *ann.* |
| | £ | £ | £ | £ | £ |
| Average Rates *prior* to 1852. | 12 @ 20 | 8 @ 12 | 8 @ 12 | — | — |
| **1852.** | | | | | |
| Jan. - | 18 . 20 | 16 . 18 | 18 . 22 | 12 @ 15 | 20 @ 22 |
| Apl. - | „ | „ | „ | „ | „ |
| July - | 20 . 25 | 20 . 25 | 22 . 26 | 15 . 20 | 26 . 30 |
| Oct. - | 25 . 35 | 25 . 35 | 25 . 30 | 20 . 25 | 30 . 35 |
| **'53.** | | | | | |
| Jan. - | 20 . 35 | „ | 30 . 35 | 20 . 26 | 35 . 50 |
| Apl. - | 25 . 35 | 20 . 30 | 30 . 40 | „ | „ |
| July - | „ | „ | „ | „ | „ |
| Oct. - | „ | „ | „ | „ | „ |
| **'54.** | | | | | |
| Jan. - | 30 . 40 | 25 . 30 | „ | 20 . 25 | 40 . 50 |
| Apl. - | „ | 30 . 35 | 40 . 45 | „ | „ |
| July - | 30 . 35 | „ | 40 . 52 | 25 . 30 | 45 . 100 |
| Oct. - | „ | 25 . 30 | „ | 20 . 25 | „ |
| **'55.** | | | | | |
| Jan. - | 25 . 35 | 20 . 25 | „ | 20 | „ |
| Apl. - | | 25 . 30 | 35 . 52 | 15 @ 20 | 40 . 50 |
| July - | 15 . 24 | 15 . 20 | 15 . 20 | 10 . 15 | 15 . 25 |
| Oct. - | 26 . 30 | 20 . 24 | 26 . 30 | 12 . 20 | 26 . 30 |
| **'56.** | | | | | |
| Jan. - | 30 . 40 great demand | 20 . 28 | 30 . 35 | 15 . 20 | 30 . 45 |
| Apl. - | „ | | „ | „ | „ |
| July - | 25 . 30 | 20 . 25 | 28 . 30 | „ | „ |

## (XVI.) Price of Gold, and Bank Returns.

| 99 | 100 | 101 | 102 | 103 | 104 | 105 |
|---|---|---|---|---|---|---|
| Dates. | Price of Gold. Per Ounce Troy. | Insurance of Gold to London. Free of War Risk. | Insurance of Gold to London. With War Risk. | Exchange on London. Banks sell Drafts on London, 30 d/s. | Victoria Banks. Bank Note Circulation. | Victoria Banks. Bills under Discount. |
| | | p. cent. | p. cent. | p. cent. | Mlns. | Mlns. |
| **1852.** | *s.* | *s.* | *s.* | *s.* | £ | £ |
| Jan. | 61 | – | – | 10½ dis. | – | – |
| Apl. | 58 | – | – | 8½ „ | ·44 | ·88 |
| July | 64 | – | – | „ | ·66 | ·90 |
| Oct. | 68 | – | – | „ | 1·02 | 1·88 |
| **'53.** | | | | | | |
| Jan. | 70 | – | – | 6 dis. | 1·44 | 2·48 |
| Apl. | 77 | 42 | – | 1 pm. | 1·44 | 2·03 |
| July | „ | 52 | – | 2 „ | 1·50 | 1·69 |
| Oct. | 76 | „ | – | 1 „ | 1·70 | 2·82 |
| **'54.** | | | | | | |
| Jan. | 77 | „ | – | 1 „ | 1·92 | 3·90 |
| Apl. | 78 | „ | – | 3 „ | 2·09 | 5·08 |
| July | „ | 50 | 100 | 5 „ | 2·30 | 6·22 |
| Oct. | 79 | „ | „ | 3 „ | 2·38 | 6·80 |
| **'55.** | | | | | | |
| Jan. | 76 | 45 | „ | 5 „ | 2·19 | 6·40 |
| Apl. | „ | 50 | „ | 1 „ | 1·95 | 5·67 |
| July | „ | „ | – | 2 „ | 1·96 | 5·25 |
| Oct. | 75 | 40 | – | 1 „ | 1·94 | 4·68 |
| **'56.** | | | | | | |
| Jan. | „ | „ | – | par | 2·01 | 4·77 |
| Apl. | 76 | „ | – | 2 pm. | 2·15 | 5·11 |
| July | 76 | „ | – | – | – | – |

## (XVII.) Rate of Interest, &c.

| 106 | 107 | 108 | 109 | 110 | 111 |
|---|---|---|---|---|---|
| Dates. | Money Market. Rates of Discount. Bills not above 95 Days. | Money Market. Rates of Discount. Bills above 95 Days. | Money Market. Interest on Overdrawn Accounts. | Money Market. On Mortgage of Land. | General State of Trade in Melbourne. |
| **1852.** | p. cent. | p. cent. | p. cent. | p. cent. | |
| Jan. | 5 @ 6 | 7 @ 8 | 6 @ 8 | 6 @ 8 | Brisk demand ; stocks low. |
| Apl. | „ | „ | „ | „ | Prices rising. |
| July | „ | „ | „ | „ | Supply in advance of demand. |
| Oct. | „ | „ | „ | „ | All kinds of goods inquired for. |
| **'53.** | | | | | |
| Jan. | 6 | 8 | 8 | 6 . 8 | Markets active. |
| Apl. | „ | „ | „ | „ | Prices well maintained. |
| July | „ | „ | „ | 8 . 10 | Markets firm. |
| Oct. | „ | „ | „ | „ | Business dull. |
| **'54.** | | | | | |
| Jan. | 6 | „ | 8 | 7 . 8 | Markets firmer on account of the War. |
| Apl. | 7 | „ | 10 | 8 . 10 | Dull. |
| July | „ | „ | „ | „ | Great dulness ; prices nominal. |
| Oct. | „ | „ | „ | „ | No improvement ; prices lower. |
| **'55.** | | | | | |
| Jan. | „ | „ | 10 | „ | A little better prospect. |
| Apl. | „ | „ | „ | „ | Trade good. |
| July | „ | „ | „ | „ | Dull ; stocks excessive. |
| Oct. | „ | „ | „ | 8 . 9 | Continues dull. |
| **'56.** | | | | | |
| Jan. | „ | „ | „ | „ | Markets but indifferent. |
| Apl. | „ | „ | „ | „ | Very steady, and tone cheerful. |
| July | „ | „ | „ | „ | Trade dull. |

# APPENDIX XXXI.

AVERAGE EARNINGS OF GOLD MINERS IN VICTORIA, 1852–54. — FORM OF MINING COPARTNERSHIPS.

ON the 7th December, 1854, the Governor of Victoria, Sir Charles Hotham, named a Commission of Six of the most eminent persons in the Colony *, directing them to inquire into the laws and regulations in force affecting the Mining Population, and to report their opinion upon all questions relative to suggested measures for the improvement of the Mining industry of the Colony.

The Commissioners proceeded with all diligence to execute their task; they visited the Gold Field in person; took evidence there; placed themselves in personal communication with the Miners; and at length, on the 27th March, 1855, prosented a Report so elaborate and judicious, that it may with great truth be regarded as one of the most valuable documents hitherto published in connection with the Gold Discoveries in Australia.

From this Report I select certain passages.

The first of these passages relates to the average Earnings of Miners at the Gold Fields in the early part of 1855, and at former dates.

"The usual rate of pay to a Working Miner varied at the different Gold Fields between 15*s.* and 30*s. per day.* At Ballarat it reached the highest limit for an Employed Working Miner, while a "Shepherd," could earn 20*s.* per day. At the Ovens, 20*s.* to 25*s.* were common rates; at Castlemaine, 15*s.* to 20*s.*; at Bendigo, 20*s.* seemed a maximum; and smaller rates, even as low as 10*s.* per day, but with some allowances in food or lodging, were reported to the Commission.

* The Commissioners were Wm. Westgarth (Chairman), John Vascoe Fawkner, John Hodgson, John O'Shanassy, James Ford Strachan, Wm. H. Wright, and Charles W. Carr (Secretary).

"Employment at such Wages might not be said, on the whole, to be readily procurable on the Gold Fields generally; the applicants for work seemed decidedly on the increase, as compared with the sphere of employment.

"The testimony as to the Average Earnings of the individual Miner (using this term in its technical and very convenient meaning) is much less certain than that as to the rate of wages. While some fixed these earnings as low even as 15*s.* to 20*s.* *per week*, few were disposed to ascend above 10*s.* *per day* as an average, even for the individuals actually at work, independently of all who pursued other occupations on the Gold Fields, and were sustained by the Gold produce. At the Ovens Gold Fields, judging from the quantities sent by Escort, the average may be *One Ounce per week* for each Miner actually at work, of whom, out of a total population of 6000 for the Ovens proper, there may be between 3000 and 4000.

"The aspect of plenty upon the Gold Fields generally, therefore, under these circumstances, showing such moderate acquisitions, is to be explained partly by the paucity of the Miner's wants in his simple style of life, and partly by the greater production of a variety of present appliances superior to those availed of in individual mining. The miner's earnings certainly appear to have fallen off since the earlier periods of the Gold Fields, as indicated alike by the testimony adduced to the Commission and the evidence of the Gold Statistics. These facts form a very special argument for the encouragement, by suitable regulations, of every step of improvement in the business of Mining, and of every facility for introducing and circulating capital by copartnery arrangements throughout the Gold Fields, to develope the industry and intelligence even of the most destitute."

The next extract relates to the simple form of Copartnerships under which the Miners first carried on their explorations.

"The whole body of Miners may be said, without any exception, to conduct their operations under a Copartnery System.

"The simplest case of this kind, and still the most common, is that which first appeared upon the Gold Fields, namely, where a number, varying usually from three to six individuals, agree to co-operate on equal terms in the various duties connected with excavating, transporting, and washing. A division of proceeds takes place either occasionally or after the working out of a "Claim;" this latter occurrence terminating the concern, unless the parties are agreeable to resume upon another Claim. Under the system of Shallow Sinking and Surface Washing, which gave generally no particular value to any one Claim over its neighbour, nor presented much difference in value at any stage of proceeding, this simple character continued. Deep Sinking soon introduced complexities which, as exemplified at Ballarat, were still further increased by the accidents and uncertainties of "leads" and "gutters." The expense and delay of these

Sinkings rendered necessary a large number in the copartnery, for the sake both of larger means and a more effective staff. These undertakings soon assumed the form of companies, with a "stock" consisting, besides the chance of Gold, of some little plant, as slabs, windlass, &c., and divisible into a fixed number of shares. These shares were transferable, and, to meet the circumstances of all, were subdivisible. As the sinking proceeded, the Stock gradually acquired value, and, becoming marketable, was the subject of constant traffic."

The next extract relates to the difference in the average and total yield of Gold in 1852 and 1854.

"For the year 1854 the monthly average of Gold brought down by Escort is given as 151,373 Ounces, for a total population on the Gold Fields, estimated to have averaged for that year 100,351 persons, giving *one and a half ounces* per head of all ages and classes.

"For the year 1852, with an average population apparently not exceeding 35,000 persons, the monthly average by escort is 173,893 Ounces, or *five ounces* per head of population.

"One remarkable circumstance is the great regularity of the present yield of Gold throughout the year, as compared with previous experience, when judged by the Escort returns. These returns appear somewhat regularly throughout the past year, at about 35,000 Ounces weekly for all seasons. Comparing this statement with that for 1852, the first half of that year (1852), with a population of about 23,000 persons, is found to give monthly about 71,843 ounces, or rather more than *three* ounces per head; while the last half of 1852, which is the season of the greatest supply of water, gives no less than 275,610 ounces monthly to a population of 47,000 persons, with the surprising average of nearly *six* ounces per head."

And the next and last passage relates to the gradual disappearance among the Miners of prejudices against the application of Machinery to Gold Mining.

"The Commission, with regret, comment upon the arguments made use of by their Mining fellow Colonists to establish a case for their opposition to systems that involved Employed labour. To speak of Companies competing with one another for the labour of the Miner having a tendency to grind down the labourers' wages, is really like a dealer complaining that the pressure of custom compels him to lower the price of his wares. When his shop is full of buyers, then he deems his ruin certain. The market is to be spoiled, not as usual, with the overstock of goods, but with the increase of bidders. At Bendigo the Commission found that the Port Phillip and Colonial Gold Company were employing Miners at 20*s*. per day; while the evidence of some Miners went to show that this sum was scarcely the average per week upon the same Gold Field, and

an average too of very precarious attainment. One witness quotes the case of an employé of this company, who, after saving a surplus of wages, went off for a time to independent digging; but proving unsuccessful, returned to his former employment. This is a case quoted to the Commission as an argument against such employed labour.

"That such prejudices will give way to reason and necessity seems a superfluous remark. They have always done so elsewhere. Mere abstract theories are soon dispelled when they militate against thousands in the presence of daily wants and the stern realities of daily life. Thus the common prejudice against the use of Machinery is almost disappearing at Ballarat, where its advantages in mining are most evident. The Commission observed that the Labour Question was practically sharing a similar fate,—for while theory was condemning employed labour, the necessities of society were quietly but widely establishing it. This is an observation that now introduces the Commission to a very interesting branch in their Report, namely, that which is connected with the very numerous class of employed miners, and the copartnery associations that are their usual employers."

The Commissioners report that, even in 1855, the operations of the Unskilled Miner were rapidly becoming unprofitable at the Gold Fields; and that the future production of Gold in Victoria would depend upon the application of Machinery to the crushing of the Quartz Rock; and they describe these Quartz Rocks "as unlimited in extent and of surpassing richness," and as presenting a source of boundless wealth.

N.

# APPENDIX XXXII.

CALIFORNIA, 1848–54.—STATEMENTS RELATING TO THE SOCIAL CONDITION OF SAN FRANCISCO AND OTHER PARTS OF CALIFORNIA; — AND TO THE CHANGES PRODUCED BY THE GOLD DISCOVERIES.

IN 1855 there was published at New York, under the title of *Annals of San Francisco**, one of the handsomest volumes which has recently issued from the American press. It is printed on superfine paper, in elegant type, and illustrated by no less than 159 of the most spirited wood engravings I have anywhere seen.

The contents of the volume have been compiled with great care from local sources of information connected with California and reduced by the Editors into an animated narrative.

We have, therefore, in these Annals, a statement of the course of events in San Francisco, subsequent to 1847, not only framed upon the most authentic evidence, but reduced into a continuous form by highly competent persons, having the sympathy of fellow countrymen with the early career of the New American State on the shores of the Pacific. We may assume, consequently, upon reasonable grounds, that, in the pages of such a Volume, we shall find a statement of facts free from the exaggerations and prejudices which might have led a foreign historian to speak with undue severity of some of the habits of Californian life.

I have collected, therefore, from the book of Messrs. Soulé, Gihon, and Nisbet, a series of extracts illustrative of the social and commercial condition of San Francisco between 1848 and 1854.

The opening extract relates to the disorganisation produced in 1849 by the first effect of the Gold Discoveries.

* The Annals of San Francisco, &c., by Frank Soulé, John H. Gihon, M.D., and James Nisbet. New York: Appleton and Co. 1855. 8vo. pp. 825.

*May*, 1849.—"The Miners by about the middle of May, 1849, were estimated to be about Two Thousand. In another month they had increased probably to Three; and two months later their number was supposed to be about Six Thousand. From that period the arrival of persons at the different Auriferous Districts, which were known to extend over a large space of territory, was constant, but no sufficient materials existed to form a correct opinion of their total number. The vast majority of all the Labouring Classes in the country had certainly deserted their former pursuits, and had become miners; while a great many others — merchants and their clerks, shopkeepers and their assistants, lawyers, surgeons, officials in every department of the state, of the districts, and in the towns; runaway seamen and soldiers, and a great variety of nondescript adventurers,—likewise began the search for gold.

"The Miners were by no means exclusively American. They consisted of every kindred and clan. There were already some Indians, Mexicans from Sonora, Kanakas from the Sandwich Islands, settlers from Oregon, mixed with the usual dash of Spanish, British, German, and French adventurers, that had for a long time existed in California. Later months were to bring other Mexicans, Chinese, Peruvians, and Chilians; and all these before the great impending immigration of Americans and Europeans.

"At first, the general gains of the Miners, though great, were little compared to what shortly afterwards were collected. But any positive statement on this matter is naturally subject to error, since none could personally know more than what was taking place around the scene of his own operations, or where he was immediately travelling.* If, however, we compare different accounts, and endeavour to form from them something like a fair average, we might find *that from 2l. to 3l. worth of Gold Dust was about the usual proceeds of an Ordinary Day's hard work.* But while that might have been the average, people listened more to the individual instances of extraordinary success. Well authenticated accounts described many known persons as averaging from One to Two Hundred Dollars a day for a long period. Numerous others were said to be earning even from Five to Eight Hundred Dollars a day. A piece of 4 lbs. in weight was early found." (*Annals, &c.*, 209.)

The next passage relates to the first effect on Prices (in 1849) of these fabulous fortunes of the Miners.

*June*, 1849.—"Provisions and Necessaries, as might have been expected, soon rose in price enormously. At first the rise was moderate indeed—four hundred *per cent.* for Flour, and five hundred for beef Cattle; while other things were in proportion. But these were trifles. The time soon came when *—

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* The Dollar is converted into sterling at 4*s.* 2*d.*

Eggs were sold at 4*s.* 2*d.*, 8*s.* 4*d.*, and 12*s.* 6*d.* each.

Inferior Sugar, Tea, and Coffee } at 16*s.* 8*d.* per lb. 63*l.* @ 83*l.* per Barrel.

| | £ | s. | d. | | £ | s. | d. | |
|---|---|---|---|---|---|---|---|---|
| Medicines, | | | | | | | | |
| say Laudanum - per dose | 8 | 6 | – | @ | – | 4 | 2 | a drop. |
| Pill without advice - | 2 | 1 | 8 | | | | | |
| „ with advice - - | 6 | 5 | – | @ | 20 | 16 | – | |
| Spirits - - - - - | 2 | 2 | – | . | 8 | 7 | – | per quart. |
| Wines - - - - - | 2 | 2 | – | . | 8 | 7 | | per bottle. |
| Picks and Shovels - - - | 1 | 1 | – | . | 3 | 2 | 6 | each. |
| Wooden or Tin Bowls - - | – | 10 | 6 | . | 1 | 11 | – | „ |
| Clumsy Rockers - - - | 10 | 8 | – | . | 16 | 13 | – | „ |
| Gold Scales - - - - | 4 | 3 | – | . | 6 | 5 | – | „ |

As for Beef, little of it was to be had, and then only jerked, at correspondingly high prices. For luxuries, of which there were not many, if a lucky Miner set his heart on some trifle — it might be Pickles, Fruit, Fresh Pork, Sweet Butter, new Vegetables, a box of Seidlitz Powders, or of Matches — he was prepared to give any quantity of the "dust" rather than be balked. We dare not trust ourselves to name some of the fancy prices thus given, lest we should be supposed to be romancing.

"No man would give another a hand's turn for less than Five Dollars; while a Day's constant labour of the commonest kind, if it could have been procured at all, would cost from Twenty to Thirty Dollars at least. When these things, and the risks of sickness, the discomforts of living, and the unusual and severe kind of labour, are all balanced against the average gains, it may appear that, after all, the miners were only enough paid.

"About the end of May (1849), San Francisco was almost a desert place; and such it continued during the whole summer and autumn months of 1849. Many Ships with valuable cargoes had meanwhile arrived in the bay, but the Seamen deserted." (*Annals, &c.* 212.)

The next extract reveals to us a startling picture of the utter disorganisation of all social relations in 1849; and, with very little variation, the same description continued to be applicable even in 1853, and some portions of 1854. In 1856, we have heard of the renewal of Lynch Law in all its terrors in San Francisco.

*September*, 1849. — "A short experience of the Mines had satisfied most of the citizens of San Francisco that, in vulgar parlance, all was not gold that glittered, and that hard work was not easy, — sorry truisms for weak or lazy men. They returned very soon to their old quarters, and found that much greater profits, with

far less labour, were to be found in supplying the necessities of the miners, and speculating in real estate. For a time everybody made money, in spite of himself.

"The continued advance in the price of Goods, and especially in the value of Real Estate, gave riches at once to the fortunate owner of a stock of the former, or of a single advantageously situated lot of the latter. When trade was brisk, and profits so large, nobody grudged to pay any price, or any rent, for a proper place of business.

"Coin was scarce, but bags of gold-dust furnished a circulating medium, which answered all purposes. The Gamblers at the Public Saloons staked such bags, or were supplied with money upon them by the "banks," till the whole was exhausted.

"Seamen deserted their vessels, as a matter of course, so soon as they dropped anchor in the bay, and hastened to the mines. Society, not merely there, but in San Francisco, was in a state of utter disorganisation, which became worse and more terrible as the autumn and winter months brought new thousands of immigrants upon the place. We have seen that there was neither a proper government for the State, nor recognised municipal authorities who could have protected the citizens, and established order, and made provision for the systematic extension of the Town, and reception of the coming crowds. There was a Military Governor, indeed, and martial law could have been adopted; but the Governor had not sufficient force at his command to curb the wild elements of the population; nor, at best, would his forcible interference have satisfied American ideas of civil independence, and the national privilege of self-government.

"Thefts, Robberies, Murders, and other outrages of the most desperate and criminal nature, were taking place; and there were no proper Officials to take cognizance of them, and bring the offenders to justice. Every man was intent on merely making money; and provided an outrage did not in a direct manner, personally or pecumarily, affect himself, he was content to shut his eyes to the ultimate consequences.

"By the beginning of 1849, the Population of San Francisco had increased to 2000. Two months later it was probably about 3000; whilst in July (1849), when the riots and outrages of the "Hounds" came to a height, it might be nearly 5000. This was what might be called the usual and permanent population of the time — if anything could be supposed permanent in so frail and fluctuating a place, although every day new arrivals of immigrants added temporarily to the number, till they flocked off to Sacramento, Stoctkon, and the Mines." (*Annals, &c.*, 224.)

The difficulties arising from scarcity of a Circulating Medium were supplied as follows: —

*October*, 1851.—"Coin in 1851 was plentiful, and its fair worth was generally looked for. People found it somewhat more difficult

to accumulate wealth, and were less foolishly lavish of their means, although they still always spent them most extravagantly. Specimens of nearly all the Coinages of the civilised world were in constant circulation. Approximate values were bestowed upon the pieces, and if anything like the mark they readily passed current. The English Shilling, the American Quarter Dollar, the French Franc, the Mexican Double Real, were all of the same value; so likewise were the English Crown, the French Five-Franc Piece, and the American or Mexican Dollar.

"It did not matter although some were 25 per cent. more worth than others. Four single francs were quite as good as the English five-shilling piece. The smaller silver coins of whatever denomination and of every country were all alike *bits*, and passed for the same value. As for copper money, it was, of course, never seen. A *bit* was the lowest denomination of money, and very little of anything would it buy. Besides the Coins mentioned, there were Indian Rupees, Dutch and German Florins and Guilders, the many Coinages of South America, and, in fact, every known piece of money that circulated in Europe, and in many other parts of the world. The deficiency in the American proper coinage was thus amply made up, especially so far as silver money was concerned.

"In Gold there was a less variety of foreign coin, although many European pieces of that metal were in circulation. The fifty dollar gold pieces called "slugs," and the twenty and ten dollar pieces issued by the United States Assay Office, in San Francisco, served all the purposes of a regular standard coinage.

"Before and shortly after the establishment of the Assay Office, large quantities of Gold currency were supplied by about a dozen different private parties; but as these coinages were generally of less intrinsic worth, in purity and weight of metal, than their nominal value, they soon fell into disrepute, and were gradually withdrawn from circulation. Some of them were very neatly executed, and stray specimens may still be occasionally found by the curious." (*Annals, &c., 863.*)

The following extract, applying apparently more especially to the year 1851, if written by a foreigner, might have been regarded perhaps as influenced by ill feeling, or a love of romance. But, occurring as it does in a respectable American publication, it may be accepted as a true statement.

*November*, 1851.—"Ever since the first great Immigration many of the inhabitants carried some weapon of defence secretly about them. During the disturbed times in the early part of 1851, when nobody was safe from the assaults of desperadoes, even in the public street or in his own dwelling, the practice of wearing deadly weapons became still more common.

"These were often used, though not so much against the robber and assassin, as upon the old friend and acquaintance, or the stranger,

when drink and scandal, time and circumstance, had converted them into supposed enemies. The number of Duels, and especially of sudden personal affrays, was fearfully great. The general population of San Francisco — with shame it must be confessed, in those days, as is still the case to a considerable extent — drank largely of intoxicating liquors. Some scenes of a most savage and atrocious description, ending occasionally in death, took place between parties who were reputed to be of the first class of citizens. Among the lower American orders, and in all classes of foreigners, down to the vilest 'greasers,' the same violent spirit of personal revenge and deadly outrage was common. On the slightest occasion, at a look or touch, an oath, a single word of offence, the Bowie-Knife leaped from its sheath, and the loaded Revolver from the breast pocket or secret case, and death or severe wounds quickly closed the scene. The spectators often shared in the same wild feelings, and did not always seek to interfere. The law was powerless to prevent such personal conflicts. Men thought as little of their blood and lives as of their money, and to gratify high swelling passions would madly waste them all alike.

"One considerable cause of personal disputes and bloodshed, was the uncertainty of legal titles to property, which encouraged squatterism. Owing to recent conflicting decisions by the courts of law, it almost appeared that the only, or the best title to real property, was actual possession. A great many people made a practice of settling down upon any vacant lot they fancied, and perhaps in the course of a night would fence it in and erect some small house on the ground. When daylight and the proprietor came, the intruder defied ejection. To seek redress from the tribunals whose judgments had led so these encroachments was only ridiculous, so the parties generally fought it out among themselves, with the aid of friends and long purses to hire help, until both suffered considerably in the battle." (*Annals, &c.* 364.)

At the close of 1851 we have the following account of the revulsion of Prices arising from excess of supply.

*December*, 1851.—"In the palmy days of 1848 and '49, all were purchasers at any price; now everybody sought to sell, at no matter what sacrifice. In '49 a Dollar was paid for a pill, and the same sum for an egg; a hundred dollars for a pair of Boots; and twice that sum for a decent Suit of Clothes; a single rough Brick cost a dime, and a Plank some twenty feet long was cheap at ten dollars. At one period of that wondrous year, common Iron Tacks of the smallest size sold for their weight in Gold; and for a long period were in request at from five to ten dollars *an ounce*. But in '51, bales of valuable Goods were sometimes not worth their storage. There happened to be no plaster walls in '49, and small tacks, of which there were only a very meagre quantity in the country, were in extreme demand for fastening the usual muslin coverings to the

wooden partitions of houses. Hence the apparently extravagant sum that was given.

"Everything that was useful and really needed in those early days commanded the most astonishing prices. The supply was limited and the demand great, while money was suddenly plentiful. But in 1851, the stock of all kinds of Goods was greatly over-proportioned to the natural demand of the place. The population of the city and country generally, although numbering only about 250,000 persons, yet being nearly all in the prime of life, rich and careless, and with large appetites, consumed and wasted the goods and provisions that would have satisfied an ordinary population of perhaps millions of people." (*Annals, &c., 366.*)

In 1853–4, it appears that the rates of Wages in San Francisco were five times the amounts paid in New York, and twice the amounts paid in Australia. For the excess beyond the Australian rates, the disorganised state of society in California was obviously the principal reason. The element of violence and danger was superadded to the element of excessive demand for Labourers.

*July and August*, 1853.—"There was a succession of 'Strikes,' during these months, among most classes of Mechanics and Labourers, when Wages were generally *raised* from *fifteen to twenty per cent.* The following may be quoted as being the average rate of Daily Wages payable at this time to Journeymen.

SAN FRANCISCO.—*Wages in* 1853 *and* 1854.

(I.)

| | £ | s. | d. | |
|---|---|---|---|---|
| Bricklayers | 2 | 1 | 8 | per Day. |
| Stonecutters | 2 | 1 | 8 | „ |
| Plasterers | 1 | 17 | 6 | „ |
| Painters and Glaziers | 1 | 5 | – | „ |

(II.)

| | | | | |
|---|---|---|---|---|
| Ship Carpenters and Caulkers | 2 | 1 | 8 | „ |
| Blacksmiths | 1 | 13 | 4 | „ |
| Tinners | 1 | 1 | – | „ |

(III.)

| | | | | |
|---|---|---|---|---|
| Tailors | – | 16 | 8 | „ |
| Hatters | 1 | 9 | 2 | „ |
| Watchmakers | 1 | 13 | 4 | „ |
| Long-shore men | 1 | 5 | – | „ |
| Shoemakers (*per month*) | 21 | – | – | without board. |
| Farm Labourers (*per month*) | 10 | 8 | – | *with* board. |

These Wages are at least five times higher than what are paid similar workers in the Atlantic Cities; while they are about *double* the highest rates of wages that are now (1854) given Mechanics and Labourers in the Gold producing country *of Australia.*

"Most trades and occupations other than those above named, were paid equally well. The Printers, who have been always a highly remunerated class, could earn, according to skill and employment, from *2l.* 1*s.* 8*d.* to *3l.* 2*s.* 6*d. a day.* Perhaps the former sum may be taken as a low average.

"As we have elsewhere said, there is no place in the world where so high remuneration is given for labour — useful, wanted labour — as in San Francisco.

"The rates above mentioned do not vary much in the course of the year, and may, in 1854, be still quoted as nearly correct. At the same time it should be mentioned, that it is not always the case that the applicant can find constant employment at his particular trade. However, if necessity should compel him to work for a time at an inferior occupation, and provided only he have bodily strength, he may always fairly calculate on finding employment as a Labourer in coarse work, or in doing odd jobs, at from 14*s.* 7*d.* to 1*l.* 0*s.* 10*d.* a day.

"The Immigrant, however, must work at *something*, unless he means to starve outright. The expenses of living are very much greater in San Francisco than in the dearest of the Atlantic cities, while there is very little sympathy bestowed on idle, healthy men. People who would honestly succeed in this country must be prepared to turn their hands and attention to any kind of labour that promises to *pay*, no matter how disagreeable, or how little used it may be to the hesitating beginner." (*Annals, &c.* 460.)

In addition to the preceding statement of Wages, we have the following statement of the Prices of various articles of Food and Necessities.

It appears that in California, as in Victoria, those articles which could be produced only by *Local Labour* maintained their high prices for a long period.

*January*, 1854. —"The following are a few items regarding the expenses of a family in San Francisco, at the beginning of 1854.

"The wages of Female servants are from 10*l.* 8*s.* 4*d.* to 15*l.* 12*s.* 6*d. per Month.**

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* The original quotations are given in Dollars, which I have reduced into sterling, at the rate of 4*s.* 2*d.* per Dollar.

SAN FRANCISCO.—*Prices in* 1854.

| | £ | s. | d. | |
|---|---|---|---|---|
| Wood | 3 | 2 | 6 | per cord. |
| Coal | – | 12 | 6 | „ 100 lb. sack. |
| „ | 11 | 8 | 4 | „ ton delivered. |
| Beef, Pork, Mutton (best cuts) | – | 1 | 7 | „ pound. |
| Venison | – | 1 | 4 | „ „ |
| Salmon | – | 1 | 1 | „ „ |
| Fresh Butter (best) | – | 4 | 2 | „ „ |
| „ „ (second quality) | – | 3 | 2 | „ „ |
| Goshen Butter | – | 2 | 1 | „ „ |
| Fresh Eggs | – | 5 | 3 | „ dozen. |
| Boston Eggs | – | 3 | 1 | „ „ |
| Turkeys | 2 | 10 | – | each. |
| Wild Geese, or Ducks | – | 4 | 2 | „ |
| Chickens | – | 11 | – | „ |
| Quails | 1 | 5 | – | per dozen. |
| Potatoes | – | – | 1½ | „ pound. |
| Cabbages | – | 1 | – | „ head. |
| Cauliflowers | – | 2 | – | each. |
| Turnips, Parsnips, and Beets | – | 4 | 2 | per dozen. |
| Milk | – | 1 | – | „ quart. |

"Rents of dwelling-houses vary from *3l. 2s. 6d.* to *5l. 3s. 4d.* per month, for a *single* small apartment, up to 104*l. 5s.* per month; or what more one will, if a stylish mansion must be had." (*Annals, &c.*, 507.)

In California, as in Victoria, the crushing of Quartz by powerful machinery is rapidly superseding all other modes of obtaining Gold in the auriferous regions. The Alta California newspaper of the 5th Dec. 1856, contains the following statement.

"*The richest Quartz yet.*—The Nevada *Democrat* says that a ledge has recently been opened at what is known as Allison's Ranch, several hundred tons of which have been taken out and crushed, and has yielded nearly 400 Dollars per ton, enriching the fortunate owners in a brief period of time. This is a larger yield than any we recollect to have seen noted, and shows that the days for accumulating sudden fortunes in California have not altogether passed by. The proprietors are truly fortunate men. *Quartz Veins.*—A number of valuable Quartz veins have been recently discovered near Big Oak Flat, by Mexicans, who work them by the slow process of pounding the Quartz and grinding it by means of the 'arastra.' A Quartz Mill is in operation near the Flat, running twelve stamps. It requires but little water, which is obtained from the small quantity which runs out of the Flat. Quartz mining is destined to be

the main source of the wealth of this section of the county, and only requires the introduction of capital and the advantages of water to develop it. Many are holding Quarts claims, unable to make them profitable except by introducing machinery, and are working them barely sufficient to retain a valid possession."

In 1855 there occurred in San Francisco a Commercial Revulsion so violent that for some weeks business was practically suspended.

It is not necessary to pursue into further detail the evidence connected with the state of utter chaos which seems to have reigned supreme in San Francisco and in California generally down to and subsequent to 1854.* Mainly, it is believed, by the conspiracies of incendiaries, intent on plunder, the City was five times burnt to the ground before the close of 1852. In 1851, a majority of the Citizens formed themselves into a Vigilance Committee, and publicly executed several persons as malefactors, because the legal authorities were too weak or too corrupt to execute the laws; and the same violent remedy has been again applied in 1856.

In the meantime, the stationary or fluctuating population of the City and State has continued to increase; but it is to be apprehended that even yet but small progress has been made towards the establishment of a predominant European community in California, subject to equal laws, firmly and unsparingly executed. The most recent accounts represent the departures from California to be more numerous than the arrivals,—indicating therefore, that it is more a place to be visited for the acquisition of a speedy fortune, than to be chosen as a permanent home.

* Take the following entry under date December '53, as one example: —

"By the laws of California Divorces are readily obtainable by both husband and wife, one of whom may think him or herself injured by the unfaithful or cruel conduct of the other, and who, perhaps, disliking his or her mate, or loving another, may wish to break the bonds of wedlock. Divorces are accordingly growing very numerous here, and have helped to raise a general calumny against the sex. Some of the newspapers now regularly give, without comment, these 'matrimonial jars,' as pieces of news in their columns, facetiously placing 'divorces' between the ordinary lists of 'marriages' and 'deaths.' Like the male inhabitants, the females of San Francisco are among the finest specimens, physically, of the sex, that can anywhere be seen." (*Annals*, 503.)

In October, 1849, a Convention at Monterey formally settled a Constitution for the State; and in the midst of so much that is evil, it is gratifying to be able to refer to that document as a composition which will not suffer by the closest perusal, and as proving the presence in California of men who could adopt the largest and justest views of the destinies of the new State.

By one of the first articles of this Constitution, all forms of Slavery are prohibited in California.

The Total Population of the State in 1856 may amount, perhaps, to 500,000 persons, but in this number are included men of almost every tongue and colour under Heaven; and the proportion of the sexes is still fearfully irregular.

Gradually a powerful Nation will grow up on the territory of which San Francisco is the chief City; but there are dangers and difficulties of no ordinary character to be surmounted before California can be reckoned among the societies where solid Progress is secured by the supremacy of equal laws and by the influence of a wholesome morality.

N.

# APPENDIX XXXIII.

STATEMENTS AND TABLES RELATIVE TO THE TRADE, EMIGRATION, POOR RELIEF, &c., OF THE LAST NINE YEARS, 1848–56.

I COLLECT into this Appendix a series of Statements intended to throw light upon a number of general and miscellaneous questions, but questions essentially connected with the topics discussed in these volumes.

Tables (A.), (B.), and (C.), relate to the remarkable increase in the *Exports* from this Country to the United States and Australia since 1848; and they show in how large a degree the increase of the *Total Exports* since 1848 resolves itself into an extension of the Trade with these two regions.

Table (D.) exhibits, by means of our Board of Trade Tables, the Territorial Distribution of our Commerce during the five years 1851–55, including Imports; and the Exports of British Produce and Manufactures; and also the *Re-Exports* of Foreign and Colonial Produce.

Table (E.) relates to the progress in Shipbuilding.

Table (F.) exhibits an outline of the progress of Canada since 1850.

Tables (G.) and (H.) relate to the Emigration since 1825.

The amount of Expenditure for Relief of the Poor is shown in Table (I.), and the subsidiary statements attached to it.

Tables (K.) and (L.) set forth the quantity of Gold and Silver Plate which paid duty in the United Kingdom, 1801–51; and the Number of Gold and Silver Watch Cases marked at the Halls, 1848–55.

The last Table, (M.), is compiled from Russian Sources, and shows the progress of the External Trade of Russia in Merchandise and Bullion, 1842–52.

*EXPORTS (Declared Value) of BRITISH and IRISH PRODUCE and MANUFACTURES, 1849–55.—Abstract of following Table* (C.).

(A.) (I.) UNITED STATES AND AUSTRALIA COMBINED.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|---|---|
| YEAR. | Apparel and Slops. | Beer and Ale. | Cotton Manufactures. | Hardware and Cutlery. | Iron and Steel, wrought and unwrought. | Leather, wrought and unwrought. | Linen Manufactures. | Plate and Watches. | Silk Manufactures. | Woollen Manufactures. |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1849 | ·91 | ·11 | 2·60 | ·94 | 2·46 | ·10 | 1·39 | ·09 | ·30 | 2·44 |
| '50 | 1·05 | ·19 | 3·07 | 1·16 | 2·53 | ·16 | 1·75 | ·12 | ·50 | 3·16 |
| '51 | 1·26 | ·18 | 2·56 | 1·22 | 2·97 | ·11 | 1 63 | ·14 | ·54 | 2·70 |
| '52 | 1·82 | ·34 | 3·22 | 1·16 | 3·31 | ·32 | 1·92 | ·21 | ·58 | 3·23 |
| '53 | 4·95 | ·76 | 5·69 | 1·97 | 6·08 | ·92 | 2·53 | ·49 | ·99 | 5·10 |
| '54 | 3·83 | ·66 | 4·13 | 2·01 | 5·93 | ·97 | 2·06 | ·35 | ·61 | 3·95 |
| '55 | 2·20 | ·50 | 3·93 | 1·20 | 3·34 | ·61 | 1·92 | ·21 | ·34 | 2·73 |

(B.) (II.) SUMMARY OF PRECEDING TABLE (A.).

| 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|---|---|---|---|
| YEARS. | UNITED STATES AND AUSTRALIA COMBINED. | | | | | TOTAL EXPORTS OF YEAR TO ALL PARTS (U. S. and Aus. included). | | |
| | Total of 10 Articles as above. | Total of all other Articles. | Total Exports of all kinds. | Result. | | Declared Value. | Result. | |
| | | | | Increase. | *Decrease.* | | Increase. | *Decrease.* |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 1849 | 11·36 | 2·69 | 14·05 | | | 63·60 | | |
| '50 | 13·70 | 3·79 | 17·49 | 3·44 | – | 71·37 | 7·77 | – |
| '51 | 13·30 | 3·86 | 17·17 | – | ·32 | 74·45 | 3 08 | – |
| '52 | 16·13 | 4·68 | 20·79 | 3·62 | – | 78·07 | 3·63 | – |
| '53 | 29·47 | 8·69 | 38·16 | 17·37 | – | 98·93 | 20·86 | – |
| '54 | 24·42 | 8·92 | 33·34 | – | 4·82 | 97·09 | – | 1·84 |
| '55 | 16·98 | 6·62 | 23·60 | – | 9·74 | 95·69 | – | 1·40 |

(C.) *Exports (Declared Value) of British and Irish Produce and Manufactures to United States and the Australian Colonies during the Years* 1849–54.

(III.) United States and Australia separately.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Years. | Apparel, Slops, and Haberdashery. | | Beer and Ale. | | Cotton Manufactures. | | Hardware and Cutlery. | | Iron and Steel, Wrought and Unwrought. | | Leather, Wrought and Unwrought. | |
| | U. Sts. | Austl. | U. Sts. | Austl. | U. Sts. | Austl. | U. Sts. | Austl. | U. Sts. | Austl. | U. Sts. | Aust |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mln £ |
| 1849 | ·48 | ·43 | ·02 | ·09 | 2·30 | ·29 | ·85 | ·09 | 2·31 | ·14 | ·04 | ·0 |
| '50 | ·55 | ·50 | ·05 | ·14 | 2·70 | ·36 | 1·05 | ·11 | 2·38 | ·14 | ·09 | ·0 |
| '51 | ·67 | ·59 | ·05 | ·13 | 2·22 | ·33 | 1·08 | ·13 | 2·81 | ·15 | ·05 | ·0 |
| 1852 | ·86 | ·96 | ·10 | ·24 | 2·99 | ·33 | ·96 | ·19 | 3·13 | ·18 | ·07 | ·2 |
| '53 | 1·32 | 3·63 | ·12 | ·63 | 4·65 | 1·03 | 1·33 | ·63 | 5·37 | ·70 | ·07 | ·8 |
| '54 | 1·43 | 2·39 | ·12 | ·53 | 3·34 | ·78 | 1·43 | ·58 | 5·11 | ·81 | ·11 | ·8 |
| '55 | 1·33 | ·87 | ·10 | ·40 | 3·63 | ·30 | ·90 | ·30 | 2·84 | ·50 | ·09 | ·5 |

| 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Years. | Linen Manufactures. | | Plate and Watches. | | Silk Manufactures. | | Woollen Manufactures. | | All other Articles. | | Total Exports. | |
| | U. Sts. | Austl. | U. Sts. | Austl. | U. Sts. | Austl. | U. Sts. | Austl. | U. Sts. | Austl. | U. Sts. | Aust |
| | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mln £ |
| 1849 | 1·30 | ·08 | ·08 | ·01 | ·26 | ·03 | 2·23 | ·20 | 2·06 | ·63 | 11·97 | 2·0 |
| '50 | 1·65 | ·09 | ·11 | ·01 | ·44 | ·05 | 2·88 | ·27 | 2·95 | ·84 | 14·89 | 2·6 |
| '51 | 1·53 | ·10 | ·11 | ·02 | ·46 | ·06 | 2·43 | ·25 | 2·92 | ·95 | 14·36 | 2·8 |
| 1852 | 1·78 | ·14 | ·13 | ·08 | ·46 | ·11 | 2·82 | ·41 | 3·24 | 1·31 | 16·56 | 4·2 |
| '53 | 2·21 | ·31 | ·18 | ·31 | ·55 | ·43 | 3·71 | 1·35 | 4·10 | 4·59 | 23·65 | 14·5 |
| '54 | 1·84 | ·22 | ·19 | ·16 | ·42 | ·19 | 3·14 | ·80 | 4·25 | 4·66 | 21·41 | 11·9 |
| '55 | 1·84 | ·08 | ·13 | ·08 | ·29 | ·05 | 2·46 | ·27 | 3·71 | 2·91 | 17·32 | 6·2 |

Note.—The *four* figures at unit end are omitted: thus, ·08 represents 80,000*l.*

These three Tables (A.), (B.), and (C.), are constructed on the principle of selecting, in the first place, the Ten Leading Articles of British Manufacture which, since 1848, have entered in the largest degree into the Export Trade to the United States and Australia.

In Table (A.) the Real Value of the Exports of these Ten Articles is shown as regards the United States and Australia when taken in *combination*. In Table (B.) a Summary is given of the more detailed results.

And from that Summary we find that the Real Value of the Ten Articles, which in 1849 was 11½ Millions, had become 29½ Millions in 1853 — and 24 Millions in 1854. We find, also, that the Real Value of the *Total* Exports of *all* articles to the United States and Australia rose from 14 Millions in 1849 — to 38 Millions in 1853.

The articles in which there was the largest increase were Apparel and Slops, Cotton Manufactures, and Hardware.

It appears very plainly from Cols. 18, 19, and 20. of Table (B.) that the Increase in the *Total Export Trade* (to all Parts) of the United Kingdom between 1848 and 1855 resolved itself into an *increase* in the Exports to the two Gold Producing Regions.

In the next Table (D.) I present an abstract of the geographical distribution of the Exports from the United Kingdom since 1850, not merely of articles of *British* Produce and Manufacture, but also of articles of *Foreign* and Colonial Produce and Manufacture which enter into the yearly expanding Transit Trade of this country. The Table also shows the *Real* Value of the *Imports* into the United Kingdom in the two years 1854–5.

The *Real* Value of the *Exports* is given for each of the years 1851–55; but the Real Value of the *Re-Exports* (of Foreign Commodities) can only be given for the *two* years 1854–5. For the three years 1851–3 the *official* value of the *Re-Exports* can only be given.

## (D.) United Kingdom: Imports, Exports, *and* Re-Exports, 1851–55.

*Statement from Board of Trade Returns of the Real and Official Values as stated in preceding page.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Imports. | | | Exports of British Produce and Manufactures; and Re-Exports of Foreign and Colonial Produce. | | | | | | | | | |
| | | Countries *Imported from* and Exported to. | 1855. | | 1854. | | 1853. | | 1852. | | 1851. | |
| 1854. | 1855. | | Brit. Prod. | For. and Col. | Brit. Prod. | For. and Col. | Brit. Prod. | For. and Col. | Brit. Prod. | For. and Col. | Brit. Prod. | For. and Col. |
| Mlns. £ | Mlns. £ | (I.) Foreign Countries. | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ | Mlns. £ |
| 4·2 | 0·4 | Russia | – | – | 0·1 | – | 1·2 | 4·2 | 1·1 | 3·9 | 1·3 | 3·1 |
| 6·6 | 6·9 | Sweden, Norway, and Denmark | 2·3 | 0·7 | 2·1 | 0·8 | 1·6 | 0·9 | 1·4 | 0·7 | 1·4 | 0·1 |
| 9·0 | 10·2 | Prussia | 1·1 | 2·0 | 0·8 | 1·7 | 0·6 | 1·1 | 0·6 | 1·0 | 0·5 | 0·9 |
| 18·0 | 15·0 | Holland, Hanse Towns, Belgium, and Central Europe | 16·6 | 8·5 | 15·1 | 7·1 | 14·6 | 11·7 | 13·8 | 9·2 | 13·0 | 10·0 |
| 10·6 | 9·3 | France | 6·1 | 4·4 | 3·3 | 3·2 | 2·7 | 2·0 | 2·8 | 1·9 | 2·0 | 1·3 |
| 10·0 | 10·0 | Portugal, Spain, Cuba, &c. | 4·2 | 0·3 | 4·0 | 0·3 | 4·4 | 0·5 | 3·8 | 0·5 | 3·5 | 0·6 |
| 2·7 | 2·4 | Turkey, and Wallachia and Moldavia | 5·7 | 0·4 | 2·8 | 0·3 | 2·2 | 0·3 | 2·4 | 0·2 | 2·3 | 0·2 |
| 3·4 | 3·7 | Egypt and Syria | 2·4 | 0·2 | 1·6 | 0·2 | 1·1 | 0·2 | 1·5 | 0·1 | 1·4 | 0·1 |
| 30·0 | 25·7 | United States and California | 17·3 | 0·7 | 21·3 | 0·9 | 23·6 | 1·3 | 16·5 | 1·2 | 14·3 | 1·1 |
| 8·2 | 9·2 | Brazil, Buenos Ayres, Chili, Peru | 7·0 | 0·2 | 7·0 | 0·2 | 6·7 | 0·2 | 7·1 | 0·3 | 6·6 | 0·3 |
| 9·1 | 8·7 | China | 0·9 | – | 0·5 | – | 1·4 | 0·5 | 1·9 | 0·5 | 1·5 | 0·3 |
| 111·8 | 101·5 | | 63·6 | 17·4 | 58·6 | 14·7 | 60·1 | 22·9 | 52·9 | 19·5 | 47·8 | 20·1 |
| 6·6 | 8·5 | All other For. Countries | 5·5 | 1·3 | 4·7 | 0·9 | 5·5 | 1·5 | 4·8 | 1·1 | 6·2 | 1·1 |
| 118·4 | 110·0 | *Totals* | 69·1 | 18·7 | 63·3 | 15·6 | 65·6 | 24·2 | 57·7 | 20·6 | 54·0 | 21·2 |
| | | (II.) British Possessions. | | | | | | | | | | |
| 7·0 | 4·5 | British N. American Cols. | 2·8 | 0·2 | 5·9 | 0·3 | 4·8 | 0·3 | 3·0 | 0·4 | 3·9 | 0·4 |
| 6·3 | 6·0 | British West Indies, Guiana, and Honduras | 2·0 | 0·2 | 2·0 | 0·2 | 1·9 | 0·3 | 2·0 | 0·3 | 2·4 | 0·4 |
| 5·0 | 4·6 | Australia and New Zealand | 6·0 | 1·0 | 11·7 | 1·5 | 14·2 | 1·8 | 4·1 | 0·9 | 2·6 | 0·4 |
| 10·7 | 12·7 | East Indies | 10·0 | 0·4 | 9·1 | 0·5 | 7·3 | 0·5 | 6·5 | 0·5 | 7·0 | 0·6 |
| 4·0 | 4·0 | Ceylon, Singapore, and Mauritius | 1·4 | – | 1·3 | 0·1 | 1·3 | – | 1·2 | 0·1 | 1·1 | – |
| 33·0 | 31·8 | | 22·2 | 1·8 | 30·0 | 2·6 | 29·5 | 2·9 | 16·8 | 2·2 | 17·9 | 1·5 |
| 1·1 | 1·8 | All other Brit. Possessions | 4·3 | 0·5 | 3·8 | 0·4 | 3·8 | 0·5 | 3·4 | 0·4 | 3·4 | 0·4 |
| 34·1 | 33·6 | *Totals* | 26·5 | 2·3 | 33·8 | 3·0 | 33·3 | 3·4 | 20·2 | 2·6 | 20·4 | 2·1 |
| 152·5 | 143·6 | Totals—Foreign Countries and British Poss. | 95·6 | 21·0 | 97·1 | 18·6 | 98·9 | 27·6 | 77·9 | 23·2 | 74·4 | 23·3 |

NOTE.—The *five* unit figures are omitted; thus, 0·1 represents 100,000*l.*

The *Real* Value of the *Imports* was only ascertained for the time in 1854; and the same remark applies to the *Real* Value of the *Re-Exports* of Foreign and Colonial Produce.

I have given, however, the *Official* Values of the *Re-Exports* for the three years 1851, '52, and '53; and, approximatively these Official Values may be considered as *one-third* more than the Real Values. The Real Values of the Re-Exports would be therefore,—

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1855 | - | - | 21·0 mlns. | | 1853 | - | - | 18·6 mlns. |
| '54 | - | - | 18·6 „ | | '52 | - | - | 15·2 „ |
| | | | | | '51 | - | - | 15·2 „ |

To fully analyse the results indicated by this Table (D.), would require a considerable disquisition.

I can refer only to a few of the points:—

The Exports from the United Kingdom to certain parts of Europe, &c., are probably the most striking as regards increase subsequent to 1850. For example:—

UNITED KINGDOM:—*Exports and Re-Exports, combined, to certain European Countries.—Real Values.*

| Countries. | 1855. £ | | 1851. £ | |
|---|---|---|---|---|
| Germany - - | 25·1 | Mlns. | 20·0 | Mlns. |
| France - - | 10·5 | „ | 3·0 | „ |
| Sweden, &c. - - | 3·0 | „ | 1·9 | „ |
| Turkey - - | 6·1 | „ | 2·6 | „ |
| Egypt - - | 2·6 | „ | 1·5 | „ |
| | 47·3 | „ | 29·0 | „ |

Of this large increase of 18 Millions of Real Value in five years, a considerable portion represents the value of Foreign and Colonial Produce, which this country finds it advantageous to import in the first instance direct from the place of production, and then re-export to other countries.

It is to be remembered, that in diminution of the apparent excess of *Imports* into the United Kingdom, must be reckoned the returns due to British Capital invested in the West Indies, in India, in the Mauritius, in Ceylon, in British North America, and in many foreign countries.

(E.) British Shipping, 1849–55.—*Vessels Built and Registered in United Kingdom; and British Vessels Employed in the Foreign Trade of the United Kingdom.*

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| Years. | Ships Built in United Kingdom. | | | British Ships employed in Foreign Trade of United Kingdom. | | | |
| | Sailers and Steamers. | Total Tonnage. | *Average Tonnage.* | Sailers and Steamers. | Total Tonnage. | *Average Tonnage.* | Men. |
| | No. | tons. | tons. | No. | tons. | tons. | No. |
| 1849 | 730 | 118,000 | 160 | 6,700 | 2,089,000 | 310 | 95,000 |
| '50 | 690 | 133,000 | 200 | 7,235 | 2,188,000 | 302 | 98,000 |
| '51 | 672 | 150,000 | 224 | 7,410 | 2,348,000 | 317 | 90,000 |
| 1852 | 712 | 167,000 | 235 | 7,580 | 2,450,000 | 320 | 111,000 |
| '53 | 800 | 203,000 | 254 | 8,360 | 2,790,000 | 335 | 122,000 |
| '54 | 802 | 196,000 | 245 | 7,420 | 2,760,000 | 373 | 114,000 |
| '55 | 1,098 | 323,000 | 300 | 7,960 | 3,018,000 | 377 | 124,000 |

Since 1849 there has been a diminution in the Tonnage employed in the Coasting Trade, in consequence of the great extension of Railways.

The gradual increase in the *size* of the Vessels Built and employed is important, and also the increase in the number of Seamen.

The next Table (F.) relates to Canada—a dependency which, by means of the advantages arising from its 1½ Millions of inhabitants; by the aid of an extensive system of Railways and Canals; and administered by an Executive resting on Colonial suffrage, has entered, probably, upon a career of development more auspicious and rapid than can be found in any other British Settlement.

And the two succeeding Tables (G.) and (H.) will, I hope, exhibit, in a compact form, the leading facts connected with the Emigration from this country since 1825.

The statements in Table (H.) of the several Nationalities is exceedingly interesting.

(F.) CANADA, 1850–54. — *SUMMARY of PROGRESS.*

| Divisions. | | 1854. | 1852. | 1850. |
|---|---|---|---|---|
| (I.) POPULATION: — | | | | |
| Males | *No.* | – | 950,000 | – |
| Females | „ | – | 893,000 | – |
| | | – | 1,843,000 | – |
| (II.) IMMIGRANTS: — | | | | |
| Persons | „ | 53,000 | 39,000 | 32,000 |
| (III.) TERRITORIAL AREA: — | | | | |
| Cultivated | *Acres* | – | 7,307,000 | – |
| Uncultivated | „ | – | 10,631,000 | – |
| Lands occupied | „ | – | 17,938,000 | – |
| Lands vacant | „ | – | 138,250,000 | – |
| Total Acres | | – | 155,188,000 | – |
| (IV.) IMPORTS (*real value*): — | | | | |
| from United Kingdom | £ | 5,740,000 | 2,667,000 | 2,407,000 |
| „ Other Parts | £ | 3,380,000 | 1,897,000 | 1,413,000 |
| | £ | 9,120,000 | 4,564,000 | 3,820,000 |
| (V.) EXPORTS (*real value*): — | | | | |
| to United Kingdom | £ | 2,670,000 | 1,426,000 | 1,200,000 |
| „ Other Parts | £ | 2,510,000 | 2,018,000 | 1,712,000 |
| | £ | 5,180,000 | 3,444,000 | 2,912,000 |
| (VI.) FINANCE: — | | | | |
| Revenue | £ | 1,590,000 | 1,121,000 | 875,000 |
| Expenditure | £ | 1,737,000 | 927,000 | 672,000 |
| (VII.) SHIPPING: — | | | | |
| Entered Inwards | *Tons* | 72,000 | 69,000 | 56,000 |

(G.) Emigration *from* United Kingdom *in Groups of Years*, 1825–55.—*Statement of the Total Number of Persons* (*i. e. Male and Female Adults, Children* (1 *to* 14 *Years*), *and Infants*).

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| | North America. | | Australia and New Zealand. | Other Places. | *Total* Persons. |
| | British N. America. | United States. | | | |
| | No. | No. | No. | No. | No. |
| (I.) Sixteen Years, 1825–40. | | | | | |
| *Ann. Average* | 25,800 | 24,300 | 4,600 | 320 | 55,000 |
| Totals to 1840 | 412,000 | 388,000 | 74,000 | 5,200 | 880,100 |
| (II.) | | | | | |
| 1841 - | 38,100 | 45,000 | 32,600 | 2,800 | 118,600 |
| '42 - | 54,100 | 64,000 | 8,500 | 1,800 | 128,300 |
| (*Aver.* 1841–2) | 46,100 | 54,500 | 20,550 | 2,300 | 123,450 |
| (III.) | | | | | |
| 1843 - | 23,500 | 28,000 | 3,500 | 1,800 | 57,200 |
| '44 - | 23,000 | 43,600 | 2,200 | 1,800 | 70,700 |
| '45 - | 32,000 | 58,600 | 830 | 2,300 | 93,500 |
| '46 - | 43,400 | 82,200 | 2,300 | 1,800 | 130,000 |
| (*Aver.* 1843–6) | 30,500 | 53,100 | 2,200 | 1,920 | 87,850 |
| (IV.) | | | | | |
| 1847 - | 109,700 | 142,100 | 4,900 | 1,500 | 258,000 |
| '48 - | 31,000 | 188,200 | 24,000 | 4,900 | 248,000 |
| '49 - | 41,300 | 219,400 | 32,000 | 6,500 | 300,000 |
| '50 - | 33,000 | 223,000 | 16,000 | 8,800 | 281,000 |
| '51 - | 42,000 | 267,000 | 21,000 | 4,500 | 336,000 |
| (*Aver.* 1847–51) | 51,400 | 207,900 | 19,600 | 5,200 | 284,600 |
| (V.) | | | | | |
| 1852 - | 33,000 | 244,000 | 88,000 | 3,700 | 369,000 |
| 53 - | 34,000 | 228,000 | 64,000 | 3,100 | 328,000 |
| '54 - | 44,000 | 193,000 | 83,000 | 3,400 | 323,000 |
| '55 - | 18,000 | 103,000 | 52,000 | 3,100 | 177,000 |
| (*Aver.* 1852–5) | 32,250 | 192,000 | 71,700 | 3,350 | 299,300 |
| Totals, 1825—1855 | 1,012,100 | 2,517,100 | 508,830 | 57,000 | 4,098,400 |

(H.) *Emigration from the United Kingdom, 1853–4; distinguishing the Nationality of the Emigrants as ascertained by their stated Places of Birth.*

| Nationality. | 1854. No. | 1853. No. |
|---|---|---|
| To United States: viz. | | |
| English - - - Persons | 37,600 | 26,500 |
| Scotch - - - - „ | 4,900 | 7,500 |
| Irish - - - - - „ | 111,100 | 157,000 |
| Others - - - - „ | 39,400 | 41,000 |
| | 193,000 | 231,000 |
| To North American Colonies: viz. | | |
| English - - - Persons | 6,100 | 4,200 |
| Scotch - - - - „ | 6,700 | 5,200 |
| Irish - - - - „ | 22,900 | 22,400 |
| Others - - - „ | 8,100 | 2,700 |
| | 43,800 | 34,500 |
| To Australian Colonies: — | | |
| English - - Persons | 47,100 | 32,200 |
| Scotch - - - - „ | 14,200 | 9,900 |
| Irish - - - - „ | 16,200 | 12,700 |
| Others - - - - „ | 5,700 | 6,600 |
| | 83,200 | 61,400 |
| To all other Places: — | | |
| Total - - - - Persons | 3,400 | 3,100 |
| Total Emigration of Year - - | 323,400 | 330,000 |

As appears very clearly on the face of Table (H.), a large part of the Emigration of late years has taken place from Ireland. The Emigration Commissioners state the number of Irish Emigrants to have been, according to the best information that is available,—

*Irish Emigrants*—

| | | | |
|---|---|---|---|
| in 1851 | 254,000 persons. | 1853 | 192,000 persons. |
| '52 | 224,000 „ | '54 | 150,000 „ |

Assuming the approximate correctness of these figures, there would remain as the

*English and Scotch Emigrants,*

| | | | |
|---|---|---|---|
| 1851 | 82,000 persons. | 1853 | 136,000 persons. |
| '52 | 145,000 „ | '54 | 173,000 „ |

The extent of Emigration from the Continent of Europe is comparatively trifling; and is *not* encouraged by most of the Continental States. The largest number of Continental Emigrants are Germans.

But one of the most singular and gratifying circumstances connected with the Irish Emigration is, that it has become, not only a means of relieving Ireland from a surplus population, but also a means of bringing capital into Ireland from America.

The Emigration Commissioners have ascertained that the amount of the Remittances made to Ireland from America, by persons settled in America as Immigrants into that country from Ireland, were as follows:—

*Remittances to Ireland from America.*

| | | | |
|---|---|---|---|
| 1848–52 | £4,351,000 | 1854 | £1,730,000 |
| 1853 | 1,440,000 | '55 | 873,000 |

Now, allowing even so high a sum as 6*l.* as the average cost of transferring each *person* from Ireland to America, it will appear that these remittances very considerably exceed the cost of each year's Emigration. It by no means follows that the whole of the remittances are intended to be spent in conveying friends and relatives to America; and it is tolerably certain that the *real* is much in excess of the *ascertained* amount of the remittances. But whether as capital imported into Ireland for Emigration purposes, or for relief and investment, the operation is advantageous to that country.

The next Table (I.) shows, in a very striking manner, the diminution of Pauperism in the busy years 1852–3.

(I.) POOR RELIEF EXPENDITURE.—ENGLAND AND WALES.—*Seven Years*, 1849–55.—*STATEMENT compiled from REPORT of POOR LAW COMMISSIONERS for* 1855.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Years ended 2nd Dec. | PAUPERS OF ALL CLASSES. | | | | ADULT ABLE-BODIED PAUPERS. | | | | Total Sum expended for Relief of Poor. | Estimated Population of England & Wales. | Expended p. head of Population. |
| | In. | Out. | TOTAL. | Per cent. on Population. | In. | Out. | TOTAL. | Per cent. on Total Paupers. | | | |
| | No. | No. | No. | p. cent. | No. | No. | No. | p. cent | Mlns. £ | No. Mlns. | s. d. |
| 1849 | 133, | 955, | 1,088, | 6·2 | 26, | 202, | 229, | 21·0 | 5·79 | 17·53 | 6 6½ |
| '50 | 123, | 856, | 1,008, | 5·7 | 24, | 168, | 192, | 19·0 | 5·39 | 17·76 | 6 1 |
| '51 | 114, | 826, | 941, | 5·3 | 21, | 142, | 163, | 17·3 | 4·96 | 17·93 | 5 6½ |
| 1852 | 111, | 804, | 915, | 5·0 | 18, | 131, | 149, | 16·3 | 4·90 | 18·20 | 5 4½ |
| '53 | 110, | 776, | 886, | 4·8 | 17, | 122, | 139, | 15·7 | 4·94 | 18·40 | 5 4½ |
| '54 | 111, | 753, | 864, | 4·6 | 18, | 117, | 135, | 15·6 | 5·28 | 18·62 | 5 8 |
| 1855 | 121, | 776, | 898, | 4·8 | 21, | 126, | 146, | 16·3 | 5·89 | 18·84 | 6 3 |

NOTE.—In Cols. 10. and 11. the *four* unit figures are omitted: thus, 5·79 represents 5,790,000*l*. In Cols. 2, 3, and 4., and Cols. 6, 7, and 8., the *three* unit figures are omitted: thus, 955, represents 955,000.

The Col. 4. sets forth the Paupers of all Classes, including Children, relieved in the course of the Year. The Col. 8. sets forth the Able-bodied Adult (Male and Female) Paupers (exclusive of Vagrants) relieved in the Year.

The Per-Centage, Col. 5., indicates the proportion of the *Total Pauperism* to the Total Population of each Year as given in Col. 11.

And the Per-Centage, Col. 9., gives the proportion of Adult Paupers to the whole number of persons relieved.

Col. 12. gives the Average Annual Expenditure per head of the Total Population.

The Returns for Scotland and Ireland correspond, in general character, with the preceding.

SCOTLAND. — *NUMBER of PAUPERS (exclusive of Casual Poor) in RECEIPT of RELIEF on 14th May of each Year*, 1849–55.

| Years. | Paupers. | Years. | Paupers. |
|---|---|---|---|
| 1849 - - - | 82,300 | 1852 - - - | 75,100 |
| '50 - - - | 79,000 | '53 - - - | 75,400 |
| '51 - - - | 77,000 | '54 - - - | 78,900 |
| | | '55 - - - | 79,900 |

The number of Parishes remained very nearly the same; throughout named 880.

In Ireland the improvement is very marked.

IRELAND. — *NUMBER of PAUPERS receiving In-Door and Out-Door RELIEF in the first Week of January in each Year*, 1849–55.

| Years. | In-Door. | Out-Door. | Years. | In Door. | Out-Door. |
|---|---|---|---|---|---|
| 1849 | 197,400 | 423,300 | 1853 | 138,700 | 3,060 |
| '50 | 203,300 | 104,600 | '54 | 104,600 | 2,200 |
| '51 | 206,400 | 2,700 | '55 | 85,300 | 1,520 |
| '52 | 168,200 | 3,170 | '56 | 72,240 | 830 |

The Out-door Relief has been practically extinguished in Ireland in 1854–56.

Comparing 1853 with 1849, we find that in *England* the able-bodied paupers were reduced from 229,000 to 122,000; and the average cost per head of the population, from 6*s.* 6½*d.* to 5*s.* 4½*d.* In Scotland the reduction was almost as great.

(K.) GOLD AND SILVER PLATE. — *QUANTITY and ESTIMATED VALUE of the Articles on which Duty was paid in the United Kingdom on the annual average of each Period of Five Years*, 1801–51.

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| Five Years, (both incl.) | GOLD PLATE. | | SILVER PLATE. | |
| | *Quantity.* | Value. | *Quantity.* | Value. |
| | oz. | £ | oz. | £ |
| 1801–05 | 5,090 | 20,000 | 984,000 | 247,000 |
| '06–10 | 6,275 | 25,000 | 1,193,000 | 298,000 |
| '11–15 | 6,499 | 26,000 | 1,018,000 | 255,000 |
| '16–20 | 6,280 | 25,000 | 1,099,000 | 277,000 |
| 1821–25 | 6,997 | 28,000 | 1,169,000 | 292,000 |
| '26–30 | 6,630 | 26,500 | 1,145,000 | 286,000 |
| '31–35 | 5,800 | 23,200 | 983,000 | 246,000 |
| '36–40 | 7,089 | 28,300 | 1,225,000 | 306,000 |
| 1841–45 | 6,943 | 27,800 | 1,075,000 | 269,000 |
| '46–50 | 7,722 | 30,900 | 939,000 | 235,000 |
| 1851 | 9,000 | 36,000 | 924,000 | 231,000 |

NOTE.—In 1801 the Duty on Gold Plate was 16*s.* per oz., and on Silver Plate 1*s.* per oz. as regards Great Britain. In Ireland the rate was alike on both kinds, viz. 6*d.* per oz.

In 1805 the rate on Silver Plate was raised to 1*s.* 3*d.* as regards Great Britain, the other rates remaining as before.

In 1807 the Duties in Ireland were raised to an uniform rate of 1*s.* per oz. In 1817 the Duties were raised to 17*s.* on Gold Plate, and 1*s.* 6*d.* on Silver Plate in Great Britain.

In 1843 the rates were made 17*s.* per oz. on Gold, and 1*s.* 6*d.* per oz. on Silver Plate *throughout* the United Kingdom.

(L.) *Number of* GOLD *and* SILVER WATCH CASES *marked at the Assay Offices at London, Birmingham, and Chester, during each of the Eight Years (ended April)* 1847–8—1854–5. (*Compiled from Parl. Papers* 334/55, *&c.*)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| Years ended April. | GOLD. | | | | SILVER. | | | |
| | London. | Birmingham. | Chester. | TOTAL. | London. | Birmingham. | Chester. | TOTAL. |
| | No. | No. | No. | No. | No. | No. | No. | No. |
| 1847–8 | 14,257 | 668 | 1,414 | 16,339 | 73,071 | 41,781 | 5,165 | 120,017 |
| '48–9 | 15,167 | 203 | 1,867 | 17,237 | 63,079 | 38,838 | 6,621 | 108,538 |
| '49–50 | 16,877 | 611 | 2,347 | 19,835 | 62,076 | 38,564 | 6,456 | 107,096 |
| '50–1 | 18,629 | 738 | 4,967 | 24,334 | 64,709 | 39,887 | 12,449 | 117,045 |
| 1851–2 | 20,101 | 769 | 6,327 | 27,197 | 66,561 | 38,056 | 12,579 | 117,196 |
| '52–3 | 21,533 | 608 | 6,322 | 28,463 | 78,139 | 33,447 | 16,336 | 127,922 |
| '53–4 | 23,561 | 196 | 9,362 | 33,119 | 83,466 | 35,328 | 13,823 | 132,617 |
| '54–5 | 20,817 | 684 | 7,011 | 28,512 | 90,062 | 31,995 | 16,336 | 138,393 |

NOTE.—Watch Cases are *marked*, but not liable to duty. The average weight of Watch Cases may be taken at about *one* ounce.

This Table (L.) shows a considerable increase in the number of Watches; and Table (K.) shows more increase in the quantity of Plate. But the absorption of Gold and Silver, whether as Watches or as Plate, is a comparative trifle. The great consumption of Gold and Silver as commodities is for purposes of gilding and decoration; and the discovery of electrotyping has largely increased the consumption of Gold and Silver in these modes.

In 1852–3, the enormous demand for expensive Watches in Australia was one of the peculiarities of the Export Trade. Clerkenwell could not produce them fast enough.

(M.) Russia. — *Statement of the Real Value of the Exports and Imports (exclusive of Specie) from and to Foreign Countries (including, as foreign countries, Poland and Finland); and of the Quantities of Gold and Silver Bullion and Specie imported and exported from the "Russian Empire" (presumed to include, under that term, Poland and Finland) during the years as under. (Statistical Tables presented by Command, January, 1855.)*

| Years. | Commodities Imported. | Commodities Exported. | Gold and Silver Bullion and Specie. Imported. | Gold and Silver Bullion and Specie. Exported. |
|---|---|---|---|---|
| 1842 | 13·39 | 13·51 | not gvn. | not gvn. |
| '43 | 12·79 | 14·05 | „ | „ |
| '44 | 12·42 | 14·83 | „ | „ |
| '45 | 13·16 | 14·65 | „ | „ |
| '46 | 13·77 | 16·26 | 1·77 | 2·07 |
| '47 | 14·12 | 23·53 | 3·54 | 2·05 |
| 1848 | 14·37 | 13·98 | ·96 | 2·03 |
| '49 | 14·96 | 14·63 | ·86 | ·97 |
| '50 | 14·59 | 14·94 | 1·23 | ·83 |
| '51 | 16·32 | 15·07 | 1·01 | 2·60 |
| '52 | 16·16 | 17·98 | 1·98 | 1·05 |
| | | | 11·35 | 11·60 |

It would seem from these figures that the *Imports* of Gold and Silver into Russia during the eleven years 1842–52, were quite as large as the Exports from Russia.

N.

*Note in Continuation of the Statement given in Appendix XI. (page 588.) relative to the Circulation of Bills of Exchange.*

Accidental circumstances led to the occurrence of one or two inaccuracies in that passage at page 588. *antè*, which relates to the effects produced by almost any degree of financial difficulty in raising the amount of Bills of Exchange.

The Six instances mentioned at page 588. should be correctly stated as follows: viz.

(1.) In 1836 the pressure which commenced in the autumn led to an increase of the Bill Circulation of nearly 25 per cent., or from 65 *Millions* in the Quarter ended 5th July to 78 Millions in the Quarter ended 10th Oct. ('36); and the amount of the Bill Circulation continued to range between 78 and 73 Millions till the spring of 1837, when contemporaneously with a material fall in the rate of discount the Bill Circulation declined to 63 and 58 Millions.

(2.) In 1839 the amount of Bills increased regularly with the rise of the rate of discount, until the Bill Circulation of 68 Millions in Oct.—Dec. '38, when the rate was 3½ per cent., rose to 82 Millions in July—Oct. '39, when the rate was 6 per cent.

(3.) In Oct.–Dec. 1844, when the rate of Discount was under 2 per cent., the Bill Circulation was only 59 Millions.

(4.) In Oct.–Dec. '46, when the rate was 3 @ 4 per cent., the Bill Circulation was 69 Millions; but it rose to 79 Millions during the difficulties of Jan.—March, 1847, and remained at 75 @ 78 Millions till the removal of pressure by the Government Letter of Oct. 1847.

(5.) In July–Oct. 1852, with a rate of 1½ @ 2 per cent., the Bill Circulation was 63 Millions; but it rose to 84 @ 88 Millions during the pressure of Aug.—Dec. 1853.

To these corrections I desire to add the following explanations, with the view of removing any difficulties as regards the construction of the Table (A.) pages 589—592. *antè*, — Bills of Exchange: —

As explained at page 587. *antè*, the entries in Col. 5. of

Table (A.) represent the Total Amount of Inland Bills drawn or created in Great Britain during each Official Quarter (ended 5th April, 5th July, 10th Oct., and 5th Jan.*), the Three Groups composing those Bills being drawn at Average Usances ranging from 3·14 months to 4·20 months. It follows, therefore, that having before us the Total amount of Bills *created* in each Quarter of each Year, we can only arrive at the average amount of Bills in Circulation at One Time, during the *whole* of each year, by applying with great care the element of Usance. If, for example, the Usance was precisely 3 Months, the Circulation of *Inland* Bills in Great Britain would be the amounts in Col. 5. of Table (A.); but the Usance is considerably more than 3 months, and, therefore, the *Inland* Bill Circulaton is *more* than is indicated by Col. 5. of Table (A.).

And allowing for Irish Bills and for Foreign Bills, I am led to believe, as already stated at page 588. *antè*, that at the present time the *Total* Bill Circulation of the United Kingdom is 180 or 200 millions.

* Col. 1. of Table (A.) affords an apt illustration of the inconveniences entailed by the former plan of running the Official Quarters into the months *following* their proper termination. Thus, as regards the first year of Table (A.), viz. 1830, the reading of Col. 1. is strictly as follows:—Three months ended 5th April, 1830; 5th July, 1830; 10th October, 1830; and 5th January, 1831; and so for the rest of the years.

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TO

# THE SIX VOLUMES OF THE HISTORY OF PRICES.

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THE END.

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